EXHIBIT 12

OFFICE OF THE ATTORNEY-GENERAL
OF THE REPUBLIC OF ANGOLA
RUA 17 DE SETEMBRO, CIDADE ALTA
LUANDA

MOST HONORABLE ATTORNEY-GENERAL OF THE REPUBLIC
GENERAL JOÃO MARIA MOREIRA DE SOUSA

Rafael Marques de Morais, [personal details withheld] pursuant to the terms of article 73 of the Constitution, and the Law on Public Probity (art. 32, 1, 2, a,b,c), hereby lodges a

CRIMINAL COMPLAINT

Against:

1. THE **PARTNERS** OF **NAZAKI OIL & GAZ, S.A.,**
(cf. Documents of Incorporation, 2007).

A) MANUEL DOMINGOS VICENTE, Chairman of the Board of Directors and Chief Executive Officer of Sonangol E.P.;
B) GENERAL HÉLDER MANUEL VIEIRA DIAS JÚNIOR "Kopelipa", Minister of State and Head of the Military Bureau of the President of the Republic;
C) GENERAL LEOPOLDINO FRAGOSO DO NASCIMENTO, advisor to the Minister of State and Head of the Military Bureau of the President of the Republic;
Able to be notified through the Nazaki Oil & Gaz office in Luanda, at Rua 10 de Dezembro, China International Fund (CIF) Building, 17th floor.

2. THE **DIRECTORS AND REPRESENTATIVES OF THE PARTNERS** OF **COBALT INTERNATIONAL ENERGY, INC.**, a New York Stock Exchange listed company, with head office located at Two Post Oak Central, 1980 Post Oak Boulevard, Suite 1200,

Houston, Texas, U.S.A. and branch office in Angola at Rua 10 de Dezembro, China International Fund (CIF) Building, 17th floor.

> **A) JOSEPH H. BRYANT,** Chairman of the Board of Directors and Chief Executive Officer, with an office at Two Post Oak Central, 1980 Post Oak Boulevard, Suite 1200, Houston, Texas, U.S.A.

Under the following terms and justifications:

1.

Since 2009, the Plaintiff has carried out and published extensive research on corruption involving high-level officials of the Angolan State administration, state-owned and private companies, as well as foreign enterprises operating in the country.

2.

On August 8, 2010, the Plaintiff publicly launched the investigative work entitled **Presidência da República: O Epicentro da Corrupção em Angola (Presidency of the Republic: The Epicentre of Corruption in Angola).** (The report is attached here as **DOCUMENT 1,** and its contents are hereby submitted as being faithfully and completely reproduced).

3.

In the said text, the Plaintiff describes the participation of the 1st Defendants in the creation of a private, multi-million business empire and analyses their behaviour in light of anti-corruption legislation, and concludes with the use and abuse of their public appointments and influence peddling activities close to the President of the Republic, His Excellency José Eduardo dos Santos, in order to gain illegitimate

financial benefits over state assets in the privatisation of public companies, and creation of consortiums with public and international companies.

4.

Within the scope of his authority (article 2, j, k, p of the Law of the Attorney General of the Republic), the Attorney General of the Republic remained silent in the face of the grave denouncements contained in the referred text.

5.

No public entity has come forward to defend the good name of the Presidency of the Republic or to seek proof of the facts in order to guarantee the pursuit of justice.

6.

The ruling party, the MPLA, represented by its spokesman and Member of Parliament, Rui Falcão Pinto de Andrade, was the sole entity to publicly declare, on August 9 2010, the need for a public statement by the relevant authorities and the judiciary to act accordingly (cf. Interview with Lusa).

7.

The **1st DEFENDANTS** are holders of equal shares (33.3%) of the joint stock of Grupo Aquattro Internacional S.A., which in turn, holds 99.96% of the joint stock of Nazaki Oil & Gaz (cf. Documents of incorporation of both companies).

8.

On February 24, 2010, Nazaki Oil & Gaz signed Risk Services Agreements for exploration, appraisal and production operations in offshore Blocks 9 and 21 with Sonangol, Sonangol Pesquisa e Produção, Cobalt International Energy, and Alper Oil, an Angolan company (cf. Risk Services Agreement, available at http://sec.edgar-online.com/cobalt-international-energy-inc/s-1a-securities-registration-statement/2009/10/30/section63.aspx)

9.

For Blocks 9 and 21, the shareholding structure is as follows: Cobalt International Energy (40%), Nazaki Oil & Gaz (30%), Sonangol Pesquisa e Produção (20%) and Alper Oil (10%).

10.

According to the facts presented in **DOCUMENT 1**, the **1ST DEFENDANTS** ought to be investigated for evidence of having committed crimes of illicit enrichment (art. 25, 1, a) through the receipt of shares in the business.

11.

Moreover, where the **1ST DEFENDANTS** are concerned, the Chairman of the Board of Directors of Sonangol has decision-making powers for granting contracts through the national concessionary authority in all transactions involving the state-owned company (cf. Decrees 14/09 and 15/09, from the Council of Ministers, on Blocs 21 and 9 respectively).

12.

In turn, as his principal advisor, the Minister of State and Head of the Military Bureau, exercises considerable influence over the President of the Republic, who, as the head of the Executive, grants the final approval for petroleum block concessions.

13.

The actions of the Minister of State and Head of the Military Bureau of the Presidency of the Republic, General "Kopelipa", also indicate abuse of power by using members of staff of the Military Bureau as company figureheads, to whom symbolic percentages are awarded, both in Nazaki Oil & Gaz and in Aquattro International S.A. (cf. Documents of incorporation of both companies).

14.

The **2nd DEFENDANT** is a shareholder of Blocks 9 and 21 (40%) and is the operator of the project.

15.

In addition to illicit enrichment, the award of the operating licence for petroliferous blocks to Cobalt International Energy failed to comply with the mandatory public tendering process, as stipulated by the Law on Petroliferous Activity (Law nº 10/04) and corresponding regulations (Decree nº 48/06 on the Rules and Procedures for Public Tender for the acquisition of a Licence of Association with the National Concessionary Authority).

16.

The decree referred to reiterates that "the mandatory nature of the public tender process constitutes the special means of regulating, by ethical and transparent means, competition between entities that wish to legitimately enter into association with the national concessionary authority in order to undertake petroliferous operations as well as to provide services or supply the materials required for the execution of said operations".

17.

Therefore, the **1st DEFENDANTS** and the **2nd DEFENDANT** are guilty of colluding in acts that violate the Law on Petroliferous Activity and the regulatory decree (arts. 6, 1,2,3; 7, 2,3,4,5,6, a, b, c, d, e, f; 8 , 2; 9 , 1, 2, 3; 11th , 1, 4; 12 ,2, 3).

18.

The **2nd DEFENDANT** is also involved in influence peddling and active corruption of leaders as established by the Criminal Code (art. 321) and in accordance with the Convention of the African Union (art. 4, 1, f), the United Nations Convention against Corruption (art. 18, a, b) and the SADC Protocol against Corruption (art. 3, 1, f), which have all been incorporated into Angolan law.

19.

The **2nd DEFENDANT** provided the **1st DEFENDANTS** with a loan valued at 3.7 million U.S. dollars, as a bonus for the concession and for costs related to seismic studies

carried out in the referred blocks (art. 21, 1, of the contract), in violation of the Law on Public Probity (art. 25, 1, a), which prohibits public servants from deriving economic benefits, including financial loans, from business activity which may conflict with their position as public servants.

20.

The criminal activity described was perpetrated by the Defendants in a deceitful, intentional and conscious manner, with the offenders fully aware that such conduct is punishable by law.

21.

It is also true that the facts described in the text **Presidência da República: O Epicentro da Corrupção em Angola** are still being perpetrated by the Defendants to the present date.

Under these terms and in conformance with the Law, Your Excellency is requested to initiate the appropriate criminal procedure and to order the establishment of an inquiry to investigate and examine the conduct of the Defendants, with regard to the criminal activities described in the text **Presidência da República: O Epicentro da Corrupção em Angola.**

Annex: 1 document and duplicates.

The Plaintiff,

____

Rafael Marques de Morais

Luanda, January 6, 2012

EXHIBIT 13

Use these links to rapidly review the document
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PART IV
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS COBALT INTERNATIONAL ENERGY, INC.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2011

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-34579

Cobalt International Energy, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**27-0821169**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Two Post Oak Central
1980 Post Oak Boulevard, Suite 1200
Houston, TX 77056
(Address of principal executive offices, including zip code)

(713) 579-9100
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Securities Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common stock, $0.01 par value	The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Securities Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Act). Yes ☐ No ☒

As of June 30, 2011, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's common stock held by non-affiliates was approximately $1.63 billion.

As of January 31, 2012, the registrant had 392,303,969 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's proxy statement relating to the 2012 Annual Meeting of Shareholders, to be filed within 120 days of the end of the fiscal year covered by this report, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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PART I

Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K contains estimates and forward-looking statements, principally in "Business," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our estimates and forward-looking statements are mainly based on our current expectations and estimates of future events and trends, which affect or may affect our businesses and operations. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are made in light of information currently available to us. Many important factors, in addition to the factors described in this Annual Report on Form 10-K, may adversely affect our results as indicated in forward-looking statements. You should read this Annual Report on Form 10-K and the documents that we have filed as exhibits hereto completely and with the understanding that our actual future results may be materially different from what we expect.

Our estimates and forward-looking statements may be influenced by the following factors, among others:

- the discovery and development of oil and gas reserves;
- to what extent the implementation of our and our partners' prospect development and drilling plans is successful;
- projected and targeted capital expenditures and other costs and commitments;
- the availability, cost and reliability of drilling rigs, containment resources, production equipment and facilities, supplies, personnel and oilfield services;
- our and our partners' ability to obtain permits and licenses and drill in the U.S. Gulf of Mexico and offshore West Africa;
- current and future government regulation of the oil and gas industry and our operations;
- changes in environmental laws or the implementation or interpretation of those laws;
- the costs and delays associated with complying with additional legislation and regulation of the oil and gas industry;
- our ability to obtain financing;
- uncertainties inherent in making estimates of our oil and natural gas data;
- our dependence on our key management personnel and our ability to attract and retain qualified personnel;
- termination of or intervention in concessions, licenses, permits, rights or authorizations granted by the United States, Angolan and Gabonese governments to us;
- competition;
- the volatility of oil prices;
- our ability to successfully develop our current prospects and to find, acquire or gain access to other prospects;
- the ability of the containment resources we have under contract to perform as designed or contain or cap any oil spill, blow-out or uncontrolled flow of hydrocarbons;
- the availability and cost of developing appropriate infrastructure around and transportation to our prospects;
- military operations, terrorist acts, wars or embargoes;
- our vulnerability to severe weather events, especially tropical storms and hurricanes in the U.S. Gulf of Mexico;
- the cost and availability of adequate insurance coverage; and
- other risk factors discussed in the "Risk Factors" section of this Annual Report on Form 10-K.

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The words "believe," "may," "will," "aim," "estimate," "continue," "anticipate," "intend," "expect," "plan" and similar words are intended to identify estimates and forward-looking statements. Estimates and forward-looking statements speak only as of the date they were made, and, except to the extent required by law, we undertake no obligation to update or to review any estimate and/or forward-looking statement because of new information, future events or other factors. Estimates and forward-looking statements involve risks and uncertainties and are not guarantees of future performance. As a result of the risks and uncertainties described above, the estimates and forward-looking statements discussed in this Annual Report on Form 10-K might not occur and our future results and our performance may differ materially from those expressed in these forward-looking statements due to, including, but not limited to, the factors mentioned above. Because of these uncertainties, you should not place undue reliance on these forward-looking statements.

Item 1. *Business*

Overview

We are an independent, oil-focused exploration and production company with a world-class below salt prospect inventory in the deepwater of the U.S. Gulf of Mexico and offshore Angola and Gabon in West Africa. All of our prospects are oil-focused. In the U.S. Gulf of Mexico, we have drilled as operator two exploratory wells (Ligurian #1 and Criollo #1) and participated as non-operator in three exploratory wells (Heidelberg #1, Shenandoah #1 and Firefox #1) and two appraisal wells (Heidelberg #2 and Heidelberg #3). These drilling efforts have resulted in the Heidelberg and Shenandoah oil discoveries. We are currently drilling as operator the Ligurian #2 exploratory well. Offshore Angola, we have drilled as operator the Cameia #1 exploratory well on Block 21 which resulted in the Cameia pre-salt oil discovery. We continue to mature high impact prospects in our portfolio for upcoming exploratory drilling in both the deepwater of the U.S. Gulf of Mexico and the deepwater offshore Angola and Gabon. In addition, we will progress our existing discoveries toward development and production through follow-on appraisal drilling and pre-development planning activities.

Cameia Pre-Salt Oil Discovery Offshore Angola

On December 20, 2011, we announced that we were evaluating the results of the Cameia #1 exploratory well and that the results at that point in time confirmed the existence of hydrocarbons and were very encouraging. On January 10, 2012, we announced that, through further analysis, the Cameia #1 exploratory well results confirmed (i) our West Africa pre-salt geologic model, (ii) a significant oil column with high quality volatile oil, (iii) anticipated net pay estimates that were better than we originally expected, (iv) a high quality carbonate reservoir, and (v) that our drilling had not encountered an oil-to-water contact. On February 9, 2012, we announced that the Cameia #1 exploratory well was drilled in 5,518 feet (1,682 meters) of water to a total depth of 16,030 feet (4,886 meters), at which point an extensive wire-line evaluation program was conducted. The results of this wire-line evaluation program confirmed the presence of a 1,180 foot (360 meter) gross continuous oil column with over a 75% net to gross pay estimate. No gas/oil or oil/water contact was evident on the wire line logs. An extended Drill Stem Test ("DST") was performed on the Cameia #1 exploratory well to provide additional information. The DST flowed at an un-stimulated sustained rate of 5,010 barrels per day of 44-degree API gravity oil and 14.3 million cubic feet per day of associated gas (approximately 7,400 BOEPD) with minimal bottom-hole pressure drawdown. Upon shut-in, the bottom-hole pressure reverted to its initial state in less than one minute. The well bore used in the DST had a perforated interval of less than one-third of the reservoir section. The flow rate, which was restricted by surface equipment, facility and safety precautions, confirmed the presence of a very thick, continuous, high quality reservoir saturated with light oil. We believe the well, without such restrictions, would have the potential to produce in excess of 20,000 barrels of oil per day. As the Cameia #1 exploratory well only tested the pre-salt carbonate section and did not drill the entire pre-salt interval,

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we believe upside potential exists for additional oil in deeper pre-salt intervals. We are the operator of and hold a 40% working interest in the Cameia #1 pre-salt oil discovery.

Our Cameia #1 pre-salt oil discovery confirms our West Africa pre-salt geologic model, including a working pre-salt petroleum system, significantly de-risks the geologic uncertainty associated with the deepwater Angolan pre-salt play, and increases the likelihood of geologic success on our adjacent undrilled prospects offshore Angola and Gabon. In addition, the results of the Cameia #1 exploratory well confirmed or exceeded our pre-drill estimates of oil quality and the reservoir quality and thickness. Such results also lead us to believe that the aerial extent of the Cameia #1 pre-salt oil discovery is between 7,500 and 25,000 acres (30 to 100 square kilometers). Although the results of the Cameia #1 exploratory well support our pre-drill expectations of the prospective area of the Cameia prospect, appraisal wells need to be drilled in order to determine and confirm its aerial extent as well as to test potential deeper pre-salt intervals.

Heidelberg #3. We participated as a non-operator in the Heidelberg #3 appraisal well which was spud in late 2011 in Green Canyon block 903. The Heidelberg #3 well appraised the Heidelberg Miocene oil discovery where more than 200 feet of net oil pay was discovered in February 2009. On February 16, 2012, the operator of the well announced the successful results of the well, which encountered approximately 250 feet of net pay thickness in high-quality Miocene sands. The appraisal well was drilled to a total depth of 31,030 feet in approximately 5,000 feet of water, about 1.5 miles south and 550 feet structurally updip from the Heidelberg #1 well. Log and pressure data from the Heidelberg #1 exploratory well and Heidelberg #3 appraisal well indicate excellent quality, continuous and pressure-connected reservoirs with high-quality oil. The operator announced that it plans to immediately sidetrack the well to determine the down-dip extent of the field and also plans to initiate pre-FEED (front-end engineering and design) activities to prepare for sanctioning and a development project. We have a 9.375% working interest in the Heidelberg prospect.

West Africa Operational Update and Drilling Schedule

2011 Angolan Pre-Salt Licensing Round. On December 20, 2011, the national oil company of Angola, Sociedade Nacional de Combustíveis de Angola—Empresa Pública ("Sonangol") concluded the highly anticipated 2011 Pre-Salt Licensing Round in Angola. As part of this licensing round, Sonangol finalized the awards of eleven pre-salt exploration blocks offshore Angola, including our award of a 40% interest in and operatorship of Block 20. Other operators awarded blocks include ConocoPhillips, BP, Total, Eni and Statoil. The high degree of interest by some of the world's largest and most experienced deepwater oil companies confirms that the industry now shares our long-held belief in the prospectivity of the pre-salt play offshore Angola. With the addition of Block 20 to our existing licenses on Blocks 9 and 21, we believe we have now established the pre-eminent position in offshore Angola's pre-salt play. We have a 40% working interest in and are the operator of each of our three blocks, something no other company has achieved in offshore Angola's pre-salt play. This leading position is a direct result of our early investment in the seismic data and technology necessary to image and understand the pre-salt geology in West Africa. Our analysis of the data led to our early identification and licensing of what we consider to be the most prospective blocks. Our West Africa strategy has achieved a significant milestone with the announcement of our Cameia #1 pre-salt oil discovery in Block 21.

Block 21 Offshore Angola. Given the results obtained from the Cameia #1 exploratory well, plans are underway to immediately drill the Cameia #2 appraisal well prior to drilling the Bicuar #1 exploratory well. The Bicuar #1 exploratory well remains a very attractive opportunity and a high priority in our Angola pre-salt exploration program. The Cameia #2 appraisal well is expected to spud in February 2012 and will be drilled to a planned total depth of up to 18,000 feet. The Cameia #2 appraisal well is expected to take 100-120 days to drill, followed by an evaluation period based on the well's results. The Cameia #2 appraisal well will help to determine the extent of the Cameia pre-salt

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Offshore Angola Prospects (Blocks 9, 20 and 21)

Cameia. On February 9, 2012, we announced that the Cameia #1 exploratory well was drilled in 5,518 feet (1,682 meters) of water to a total depth of 16,030 feet (4,886 meters), at which point an extensive wire-line evaluation program was conducted. The results of this wire-line evaluation program confirmed the presence of a 1,180 foot (360 meter) gross continuous oil column with over a 75% net to gross pay estimate. No gas/oil or oil/water contact was evident on the wire line logs. An extended DST was performed on the Cameia #1 exploratory well to provide additional information. The DST flowed at an un-stimulated sustained rate of 5,010 barrels per day of 44-degree API gravity oil and 14.3 million cubic feet per day of associated gas (approximately 7,400 BOEPD) with minimal bottom-hole pressure drawdown. The flow rate, which was restricted by surface equipment, facility and safety precautions, confirmed the presence of a very thick, continuous, high quality reservoir saturated with light oil. We believe the well, without such restrictions, would have the potential to produce in excess of 20,000 barrels of oil per day. As the Cameia #1 exploratory well only tested the pre-salt carbonate section and did not drill the entire pre-salt interval, we believe upside potential exists for additional oil in deeper pre-salt intervals. Given the results obtained from the Cameia #1 exploratory well, plans are underway to immediately drill the Cameia #2 appraisal well prior to drilling the Bicuar #1 exploratory well. The Bicuar #1 exploratory well remains a very attractive opportunity and a high priority in our Angola pre-salt exploration program. The Cameia #2 appraisal well is expected to spud in February 2012 and will be drilled to a planned total depth of up to 18,000 feet. The Cameia #2 appraisal well is expected to take 100-120 days to drill, followed by an evaluation period based on the well's results. The Cameia #2 appraisal well will help to determine the extent of the Cameia pre-salt oil discovery as well as test the upside potential in the deeper intervals not tested by the Cameia #1 exploratory well. We have elected to pursue the Cameia #2 appraisal well prior to drilling our Bicuar #1 exploratory well in order to accelerate the evaluation of a phased approach for developing the Cameia pre-salt oil discovery. Our current plans are to implement an early production system incorporating an FPSO system for the Cameia development. We believe this phased development approach will help us better understand and quantify the pre-salt reservoir performance as well as deliver earlier cash flow than would be possible starting with a comprehensive full field development strategy. We are currently preparing the development schedule and do not have an estimate of first oil and cash flow from the Cameia discovery at this time. We are the operator of and hold a 40% working interest in the Cameia prospect. For more information regarding the Cameia prospect, see "—Cameia Pre-Salt Oil Discovery Offshore Angola."

Bicuar. Bicuar is a prospect targeting pre-salt horizons in Block 21, where we are the named operator and have a 40% working interest. Bicuar was mapped using our pre-stack, depth-migrated 3-D seismic data. This prospect has an estimated mean net area of 21,000 acres. On July 19, 2011, we spud the surface hole of the Bicuar #1 exploratory well. On July 20, 2011, after setting the 36" conductor casing and drilling approximately 210 meters of surface hole, we encountered an over pressured water sand resulting in a water flow. No safety or environmental issues resulted from the incident. We abandoned the Bicuar #1 exploratory well and moved the drilling rig to and drilled the Cameia #1 exploratory well so we could reexamine our shallow hazard analysis before respudding the Bicuar #1 exploratory well. We have completed this work and we plan to drill the Bicuar #1 pre-salt exploratory well at a different surface hole location from the location in which we originally spud the Bicuar #1 exploratory well. See "—West Africa Operational Update and Drilling Schedule—Block 21 Offshore Angola."

Lontra. Lontra is a prospect targeting pre-salt horizons in Block 20, where we are the named operator with a 40% working interest. Lontra was mapped using our 2-D seismic data. This prospect has an estimated mean net area of 61,700 acres. See "—West Africa Operational Update and Drilling Schedule—Block 20 Offshore Angola."

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North Cameia. North Cameia is a prospect targeting pre-salt horizons in Block 21, where we are the named operator and have a 40% working interest. North Cameia was mapped using our pre-stack, depth-migrated 3-D seismic data. This prospect has an estimated mean net area of 6,500 acres and is located approximately 10 kilometers northwest of the Cameia #1 exploratory well location. We expect to spud North Cameia in 2013.

Loengo. Loengo is a prospect targeting pre-salt horizons in Block 9, where we are the named operator and have a 40% working interest. Loengo was mapped using our 3-D seismic data. This prospect has an estimated mean net area of 19,700 acres.

Monte Carlo. Monte Carlo is a prospect targeting pre-salt horizons in Block 21, where we are the named operator and have a 40% working interest. Monte Carlo was mapped using our 2-D seismic data. This prospect has an estimated mean net area of 31,200 acres.

Elstar. Elstar is a prospect targeting pre-salt horizons in Block 20, where we are the named operator with a 40% working interest. Elstar was mapped using our 2-D seismic data. This prospect has an estimated mean net area of 17,400 acres.

Haas. Haas is a prospect targeting pre-salt horizons in Block 20, where we are the named operator with a 40% working interest. Haas was mapped using our 2-D seismic data. This prospect has an estimated mean net area of 12,600 acres.

Additional Angola Prospects (Blocks 9, 20 and 21). We currently have 23 additional prospects targeting pre-salt horizons, in which we have a 40% working interest. We are the named operator for all of these prospects. In addition, we have identified 43 prospects targeting Albian horizons on Blocks 9, 20 and 21 offshore Angola. However, as a result of our Cameia pre-salt oil discovery, for the foreseeable future we plan to focus our exploratory and appraisal drilling activities offshore Angola exclusively on the pre-salt play and do not currently have plans to drill any of our prospects targeting Albian horizons.

Offshore Gabon Prospects (Diaba)

Mango and Mango South. As a result of our 3-D seismic acquisition and processing we completed in 2011, Mango and Mango South were identified as two bifurcated prospects which previously comprised our Longhorn prospect. Mango and Mango South are both prospects targeting pre-salt horizons, where Total Gabon is the named operator and we have a 21.25% working interest. Mango has an estimated mean net area of 25,000 acres and Mango South has an estimated mean net area of 20,000 acres.

Pioneer. Pioneer is a prospect targeting pre-salt horizons, where Total Gabon is the named operator and we have a 21.25% working interest. Pioneer was mapped using our 2-D seismic data. This prospect has an estimated mean net area of 35,000 acres.

Rainbow. Rainbow is a prospect targeting pre-salt horizons, where Total Gabon is the named operator and we have a 21.25% working interest. Rainbow was mapped using our 2-D seismic data. This prospect has an estimated mean net area of 61,500 acres.

Additional Gabon Prospects. We currently have 6 additional prospects targeting pre-salt horizons offshore Gabon, in which we have a 21.25% working interest. These prospects have been mapped using our 3-D seismic data. Total Gabon is the named operator for all of these prospects. In addition, we have identified 15 prospects targeting Albian horizons on the Diaba block offshore Gabon. However, as a result of our Cameia pre-salt oil discovery, for the foreseeable future we plan to participate in exploratory and appraisal drilling activities offshore Gabon that exclusively focus on the pre-salt play and do not currently have plans to participate in the drilling of any prospects targeting Albian horizons.

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Production Sharing Contract for Block 20 Offshore Angola

On December 15, 2011, the Council of Ministers of Angola published Decree Law No. 303/11 which granted the mining rights for the prospecting, research, development and production of hydrocarbons on Block 20 offshore Angola to Sonangol, as the national concessionaire, and appointed Cobalt as the operator of Block 20. On December 20, 2011, CIE Angola Block 20 Ltd., our wholly-owned subsidiary, executed the PSC with Sonangol, as well as Sonangol P&P, BP and China Sonangol. The PSC forms the basis of our exploration, development and production operations on Block 20 offshore Angola. We are the operator of and have a 40% working interest in Block 20 offshore Angola. Under the PSC, in order to preserve our rights in Block 20, we will be required to drill four exploratory wells (with at least one of these wells having a pre-salt objective), acquire approximately 1,500 square kilometers of 3-D seismic data, and make at least one commercial discovery, all within five years of the signing of the PSC, subject to certain extensions. We have the right to a 30-year production period. In order to guarantee these exploration work obligations under the PSC, we, BP and China Sonangol are required to post a financial guarantee of $360 million. Our share of this financial guarantee is 57.14%, or approximately $206 million. We have delivered a letter of credit to Sonangol for such amount. As we complete our work obligations under the PSC, the amount of this letter of credit will be reduced accordingly. On January 20, 2012, we notified Sonangol that we had satisfied our obligations with respect to the acquisition of 1,500 square kilometers of 3-D seismic data and requested Sonangol to approve that our letter of credit be reduced by approximately $17 million (net). In addition, pursuant to the PSC, we, BP, and China Sonangol are required to make certain contributions for bonus, scholarships and for social projects such as the Sonangol Research and Technology Center aggregating $607.5 million, comprised of $242.5 million in the first year after the signing of the PSC, $85 million on each of the first, second and third anniversaries of the signing of the PSC, and $110 million on the fourth anniversary of the signing of the PSC. We are obligated to pay 57.14% of the foregoing costs, less $10 million previously paid or approximately $337 million. On January 6, 2012, we funded our share of the social contributions due upon the signing of the PSC. We shall recover all exploration, development, production, administration and services expenditures incurred under the PSC by taking up to a maximum amount of 50% of all oil produced from Block 20. In addition, proportionate with our working interest in Block 20, we will receive 40% of a variable revenue stream that the Contractor Group (as defined below) will be allocated from Sonangol based on the Contractor Group's rate of return, reduced by applicable Angolan taxes, calculated on a quarterly basis. The variable revenue stream paid by Sonangol to the Contractor Group ranges from 10% to 70%, and is inversely related to the size of the applicable rate of return. We do not have contractual rights to sell natural gas on our Angola blocks, but we have the right to use the natural gas during lease operations.

Risk Services Agreements for Blocks 9 and 21 Offshore Angola

On June 11, 2009, the Council of Ministers of Angola published Decree Law No. 15/09 and Decree Law No. 14/09 which granted the mining rights for the prospecting, exploration, development and production of hydrocarbons on Blocks 9 and 21 offshore Angola, respectively, to Sonangol, as the national concessionaire, and appointed Cobalt as the operator of Blocks 9 and 21, respectively. Pursuant to these Decree Laws, in October 2009, we completed negotiations with Sonangol and initialed the finalized RSAs for Blocks 9 and 21 offshore Angola. On December 16, 2009, the Council of Ministers of Angola approved the terms of the finalized RSAs. On February 24, 2010, we executed RSAs for Blocks 9 and 21 offshore Angola with Sonangol, as well as Sonangol P&P, Nazaki and Alper. Cobalt, Sonangol P&P, Nazaki and Alper comprise the "Contractor Group" under the RSAs. The RSAs govern our 40% working interest in and operatorship of Blocks 9 and 21 offshore Angola and form the basis of our exploration, development and production operations on these blocks.

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- Under the RSA for Block 9, in order to preserve our rights in the block, we will be required to drill three wells, as well as acquire approximately 10,764 million square feet (1,000 square kilometers) of seismic data, and find at least one commercial discovery, within four years of its signing. This four year period may be extended by one extension of three years if we notify Sonangol in writing of such extension at least thirty days before the end of the four year period and if we have otherwise fulfilled our obligations under the agreement. After this initial four or seven year period ends, our rights in the block are only preserved with respect to the development areas on the block on which discoveries have been made and all other portions of the block will be forfeited. After this initial four or seven year period ends, we will also be required to commence production within four years of the date of the commercial discovery, subject to certain extensions. We have the right to a 20 year production period. In order to guarantee our exploration work obligations under the Risk Services Agreement for Block 9, we and Nazaki are required to post a financial guarantee in the amount of approximately $87.5 million. Our share of this financial guarantee is approximately $54.7 million. In March 2010, we delivered a letter of credit to Sonangol for such amount. As we complete our work obligations under the Risk Services Agreement, the amount of this letter of credit will be reduced accordingly. We acquired approximately 2,500 square kilometers of 3-D seismic data on Block 9 in 2011, and, accordingly, our letter of credit was reduced by approximately $9.375 million on April 25, 2011. As is customary in Angola, we are required to make contributions for Angolan social projects and academic scholarships for Angolan citizens. We made such an initial contribution in March 2010 after the signing of the Risk Services Agreement and will make additional contributions upon each commercial discovery, upon project development sanction and each year after the commencement of production. We have a 40% working interest in Block 9, with Nazaki, Alper and Sonangol P&P holding lesser working interests in the block and sharing in the exploration, development and production costs associated with such block. Proportionate with our working interest in Block 9, we will receive 40% of a variable revenue stream that the Contractor Group will be allocated from Sonangol based on the Contractor Group's rate of return, calculated on a quarterly basis, and then reduced by applicable Angolan taxes and royalties. The Contractor Group's rate of return for each quarter will be determined by the Contractor Group's variable revenue stream from oil production less expenditures and Angolan taxes and royalties from the block. The variable revenue stream paid by Sonangol to the Contractor Group ranges from 72% to 95%, and is inversely related to the size of the applicable rate of return. The Angolan taxes and royalties applicable to the variable revenue stream include the petroleum production tax (at a current tax rate of 20% applied to the Contractor Group's variable revenue stream), the petroleum transaction tax (at a current tax rate of 70% applied to the Contractor Group's variable revenue stream less expenditures less the Contractor Group's specified production allowance, which ranges from 55% to 95% of the Contractor Group's variable revenue stream depending inversely on the Contractor Group's rate of return) and the petroleum income tax (at a current tax rate of 65.75% applied to the Contractor Group's variable revenue stream less expenditures and less petroleum production and petroleum transaction taxes paid). We do not have contractual rights to sell natural gas on our Angola blocks, but we have the right to use the natural gas during lease operations.

- Under the RSA for Block 21, in order to preserve our rights in the block, we will be required to drill four wells and find at least one commercial discovery, within five years of its signing. This five year period may be extended by one extension of three years if we notify Sonangol in writing of such extension at least thirty days before the end of the five year period and if we have otherwise fulfilled our obligations under the agreement. After this initial five or eight year period ends, our rights in the block are only preserved with respect to the development areas on the block on which discoveries have been made made and all other portions of the block will be

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Item 1A. ***Risk Factors***

You should consider and read carefully all of the risks and uncertainties described below, together with all of the other information contained in this Annual Report on Form 10-K, including the consolidated financial statements and the related notes appearing at the end of this Annual Report on Form 10-K. If any of the following risks actually occurs, our business, business prospects, stock price, financial condition, results of operations or cash flows could be materially adversely affected. The risks below are not the only ones facing our company. Additional risks not currently known to us or that we currently deem immaterial may also adversely affect us. This Annual Report on Form 10-K also contains forward-looking statements, estimates and projections that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks described below.

Risks Relating to Our Business

We have no proved reserves and areas that we decide to drill may not yield oil in commercial quantities or quality, or at all.

We have no proved reserves. Our asset portfolio consists of identified yet unproven prospects based on available seismic and geological information that indicates the potential presence of oil and discoveries with limited appraisal drilling or other well penetrations. However, the areas we decide to drill may not yield oil in commercial quantities or quality, or at all. Our current discoveries and many of our prospects are in various stages of evaluation that will require substantial additional analysis and interpretation. Even when properly used and interpreted, 2-D and 3-D seismic data and visualization techniques are only tools used to assist geoscientists in identifying subsurface structures and hydrocarbon indicators and do not enable the interpreter to know whether hydrocarbons are, in fact, present in those structures. Exploratory wells have been drilled on a limited number of our prospects. Undue reliance should not be placed on our limited drilling results or any estimates of the characteristics of our prospects, including any derived calculations of our potential resources or reserves based on these limited results and estimates. Additional appraisal wells, other testing and production data from completed and producing wells will be required to fully appraise our discoveries, to better estimate their characteristics and potential resources and reserves and to ultimately understand the commerciality of our prospects. Accordingly, we do not know how many of our prospects will contain oil in sufficient quantities or quality to recover drilling and completion costs or to be economically viable. Even if oil is found on our prospects in commercial quantities, construction costs of oil pipelines or FPSO systems, as applicable, and transportation costs may prevent such prospects from being economically viable. Additionally, we will require various regulatory approvals in order to develop and produce from any of our discoveries, which may not be forthcoming.

Additionally, the analogies drawn by us from available data from other wells, more fully explored prospects or producing fields may not prove valid in respect of our drilling prospects. We may terminate our drilling program for a prospect if data, information, studies and previous reports indicate that the possible development of our prospect is not commercially viable and, therefore, does not merit further investment. If a significant number of our prospects do not prove to be successful, our business, financial condition and results of operations will be materially adversely affected.

To date, there has been limited drilling which has targeted the pre-salt horizon in the deepwater offshore West Africa and the inboard Lower Tertiary trend in the deepwater U.S. Gulf of Mexico, areas in which we intend to focus a substantial amount of our exploration efforts.

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We face substantial uncertainties in estimating the characteristics of our prospects, so you should not place undue reliance on any of our estimates.

In this Annual Report on Form 10-K we provide estimates of the numerical characteristics of our prospects, including with regard to the size and quality of our discoveries and prospects. These estimates may be incorrect, as the accuracy of these estimates is a function of the available data, geological interpretation and judgment. To date, only a limited number of our prospects have been drilled. Any analogies drawn by us from other wells, prospects or producing fields may not prove to be accurate indicators of the success of developing reserves from our prospects. Furthermore, we have no way of evaluating the accuracy of the data from analog wells or prospects produced by other parties which we may use.

It is possible that few or none of our wells to be drilled will find accumulations of hydrocarbons in commercial quantities or qualities. Any significant variance between actual results and our assumptions could materially affect the quantities of oil attributable to any particular group of properties. In this Annual Report on Form 10-K, we refer to the "mean" of the estimated data. This measurement is statistically calculated based on a range of possible values of such estimates, with such ranges being particularly large in scope. Therefore, there may be large discrepancies between the mean estimate provided in this Annual Report on Form 10-K and our actual results.

Drilling wells is speculative, often involving significant costs that may be more than our estimates, and may not result in any discoveries or additions to our future production or reserves. Any material inaccuracies in drilling costs, estimates or underlying assumptions will materially affect our business.

Exploring for and developing oil reserves involves a high degree of operational and financial risk, which precludes definitive statements as to the time required and costs involved in reaching certain objectives. The budgeted costs of drilling, completing and operating wells are often exceeded and can increase significantly when drilling costs rise due to a tightening in the supply of various types of oilfield equipment and related services. Drilling may be unsuccessful for many reasons, including geological conditions, weather, cost overruns, equipment shortages and mechanical difficulties. Exploratory wells bear a much greater risk of financial loss than development wells. In the past we have experienced unsuccessful drilling efforts. Moreover, the successful drilling of an oil well does not necessarily result in a profit on investment. Most of the wells we plan to operate or participate in in the near term are exploratory wells. A variety of factors, both geological and market-related, can cause a well to become uneconomic or only marginally economic. Our initial drilling sites, and any potential additional sites that may be developed, require significant additional exploration and development, regulatory approval and commitments of resources prior to commercial development. Due to a general lack of infrastructure and, in the case of offshore Angola and Gabon, underdeveloped oil and gas industries and increased transportation expenses due to geographic remoteness, which either require a single well to be exceptionally productive, or the existence of multiple successful wells, to allow for the development of a commercially viable field we face additional risks in the Lower Tertiary Trend in the U.S. Gulf of Mexico and offshore Angola and Gabon. If our actual drilling and development costs are significantly more than our estimated costs, we may not be able to continue our business operations as proposed and would be forced to modify our plan of operation.

New regulations enacted as a result of the Deepwater Horizon drilling rig accident and resulting oil spill may have significantly increased certain of the risks we face and increased the cost of operations in the U.S. Gulf of Mexico.

On April 20, 2010, the Transocean Deepwater Horizon, a semi-submersible offshore drilling rig operating in the deepwater U.S. Gulf of Mexico under contract to BP plc exploded, burned for two days and sank, resulting in loss of life, injuries and a large oil spill. The U.S. government and its regulatory agencies with jurisdiction over oil and gas exploration, including the DOI, BOEM and

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BSEE, responded to this incident by imposing moratoria on drilling operations and adopting numerous new regulations and new interpretations of existing regulations regarding operations in the U.S. Gulf of Mexico. Compliance with these new regulations has increased the cost of our drilling operations in the U.S. Gulf of Mexico.

We believe that extensive new regulations, increased regulatory and legal scrutiny, the restructuring of the BOEM and BSEE as successors to each of the BOEMRE and the Minerals Management Service, and ongoing and potential third party legal challenges to industry drilling operations in the U.S. Gulf of Mexico could result in substantial delays to and adversely affect our exploration and appraisal drilling operations in the U.S. Gulf of Mexico, including the timing of the permitting process.

The successful execution of our U.S. Gulf of Mexico business plan depends on our ability to continue our exploration and appraisal efforts. A prolonged suspension of or delay in our drilling operations would adversely affect our business, financial position or future results of operations.

In addition, we cannot predict how federal and state authorities will further respond to the Deepwater Horizon incident or whether additional changes in laws and regulations governing oil and gas operations in the U.S. Gulf of Mexico will result or how the DOI, BOEM, or BSEE will interpret or enforce the rules and regulations issued in response to the Deepwater Horizon incident. It is possible that additional laws, regulations or limitations may be imposed on us. Such regulations may require a change in the way we conduct our business, increase our costs of doing business, or delay our business plans. We cannot predict with any certainty what form any additional laws or regulations will take, how they will be interpreted or enforced, or the extent to which they may impact our business, financial position or future results of operations.

Furthermore, the Deepwater Horizon incident may have increased certain of the risks we face, including, without limitation, the following:

- increased governmental regulation and enforcement of our and our industry's operations in a number of areas, including health and safety, financial responsibility, environmental, licensing, taxation, equipment specifications and inspections and training requirements;
- increased difficulty in obtaining leases and permits to drill offshore wells, including as a result of any bans or moratoria placed on offshore drilling;
- potential legal challenges to the issuance of permits and the conducting of our operations;
- higher drilling and operating costs;
- higher royalty rates and fees on leases acquired in the future;
- higher insurance costs and increased potential liability thresholds under proposed amendments to environmental regulations;
- decreased partner participation in wells we operate;
- higher capital costs as a result of any increase to the risks we or our industry face; and
- less favorable investor perception of the risk-adjusted benefits of deepwater offshore drilling.

The occurrence of any of these factors, or their continuation, could have a material adverse effect on our business, financial position or future results of operations.

We face various risks associated with increased activism against oil and gas exploration and development activities.

Opposition toward oil and gas drilling and development activity has been growing globally and is particularly pronounced in the United States. Companies in the oil and gas industry are often the

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target of activist efforts from both individuals and non-governmental organizations regarding safety, human rights, environmental compliance and business practices. Anti-development activists are working to, among other things, reduce access to federal and state government lands and delay or cancel certain operations such as offshore drilling and development. For example, environmental activists have recently challenged lease sales and decisions to grant air-quality permits in the U.S. Gulf of Mexico for offshore drilling.

Future activist efforts could result in the following:

- delay or denial of drilling permits;
- shortening of lease terms or reduction in lease size;
- restrictions on installation or operation of gathering or processing facilities;
- restrictions on the use of certain operating practices;
- legal challenges or lawsuits;
- damaging publicity about us;
- increased costs of doing business;
- reduction in demand for our products; and
- other adverse effects on our ability to develop our properties.

Our need to incur costs associated with responding to these initiatives or complying with any resulting new legal or regulatory requirements resulting from these activities that are substantial and not adequately provided for, could have a material adverse effect on our business, financial condition and results of operations.

The high cost or unavailability of drilling rigs, equipment, personnel, oil field services and infrastructure could adversely affect our ability to execute our exploration and development plans on a timely basis and within budget.

Our industry is cyclical and, from time to time, there is a shortage of drilling rigs, equipment, supplies or qualified personnel, often during periods of higher oil prices or in emerging areas of exploration. During these periods and within these areas, the costs of drilling rigs, equipment, supplies and personnel are substantially greater and their availability may be limited. Additionally, these services may not be available on commercially reasonable terms. The high cost or unavailability of drilling rigs, equipment, supplies, personnel and other oil field services could adversely affect our ability to execute our exploration and development plans on a timely basis and within budget, which could have a material adverse effect on our business, financial condition or results of operations.

Our ability to market our oil production will depend substantially on the availability and capacity of gathering systems, pipelines and processing facilities owned and operated by third parties. Additionally, such infrastructure may not be available on commercially reasonable terms. We may be required to shut in oil wells because of the absence of a market or because access to pipelines, gathering systems or processing facilities may be limited or unavailable. If that were to occur, then we would be unable to realize revenue from those wells until arrangements were made to deliver the production to market, which could have a material adverse effect on our business, financial condition or results of operations.

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Our identified drilling locations are scheduled out over several years, making them susceptible to uncertainties that could materially alter the occurrence or timing of their drilling.

Our management team has identified and scheduled drilling locations on our acreage over a multi-year period. Our ability to drill and develop these locations depends on a number of factors, including the availability of equipment, qualified personnel and capital, seasonal conditions, regulatory approvals, oil prices, costs and drilling results. The final determination on whether to drill any of these drilling locations will be dependent upon the factors described elsewhere in this Annual Report on Form 10-K as well as, to some degree, the results of our drilling activities with respect to our established drilling locations. Because of these uncertainties, we do not know if the drilling locations we have identified will be drilled within our expected timeframe or at all or if we will be able to economically produce oil from these or any other potential drilling locations. As such, our actual drilling activities may be materially different from our current expectations, which could adversely affect our results of operations and financial condition.

We are not, and may not be in the future, the operator on all of our prospects, and do not, and may not in the future, hold all of the working interests in our prospects. Therefore, we will not be able to control the timing of exploration or development efforts, associated costs, or the rate of production of any non-operated and to an extent, any non-wholly owned, assets.

Currently, we are not the operator on approximately 25% of our U.S. Gulf of Mexico blocks, and we are not the operator on the Diaba Block offshore Gabon. As we carry out our exploration and development programs, we may enter into arrangements with respect to existing or future prospects that result in a greater proportion of our prospects being operated by others. In addition, the terms of our current or future licenses or leases may require at least the majority of working interests to approve certain actions. As a result, we may have limited ability to exercise influence over the operations of the prospects operated by our partners or which are not wholly-owned by us, as the case may be. Dependence on the operator could prevent us from realizing our target returns for those prospects. Further, it may be difficult for us to pursue one of our key business strategies of minimizing the cycle time between discovery and initial production with respect to prospects for which we do not operate or wholly-own. The success and timing of exploration and development activities operated by our partners will depend on a number of factors that will be largely outside of our control, including:

- the timing and amount of capital expenditures;
- the operator's expertise and financial resources;
- approval of other participants in drilling wells;
- selection of technology; and
- the rate of production of reserves, if any.

Furthermore, even though we are the operator of Blocks 9, 20 and 21 offshore Angola, we are required to obtain the prior approval of Sonangol for most of our operational activities. This limited ability to exercise control over the operations of some of our prospects may cause a material adverse effect on our results of operations and financial condition.

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The inability of one or more third parties who contract with us to meet their obligations to us may adversely affect our financial results.

We may be liable for certain costs if third parties who contract with us are unable to meet their commitments under such agreements. We are currently exposed to credit risk through joint interest receivables from our block and/or lease partners. If any of our partners in the blocks or leases in which we hold interests are unable to fund their share of the exploration and development expenses, we may be liable for such costs. In addition, if any of the service providers we contract with to mature our prospects or develop our discoveries file for bankruptcy or are otherwise unable to fulfill their obligations to us, we may face increased costs and delays in locating replacement vendors. The inability or failure of third parties we contract with to meet their obligations to us or their insolvency or liquidation may adversely affect our financial results.

We have a limited operating history and our future performance is uncertain.

We are a development stage enterprise and will continue to be so until commencement of substantial production from our oil properties, which will depend upon our ability to conduct drilling operations, successful drilling results, additional and timely capital funding, and access to suitable infrastructure and adequate personnel. We do not expect to commence production for at least several years, and therefore we do not expect to generate any revenue from production for a long time. Companies in their initial stages of development face substantial business risks and may suffer significant losses. We have generated substantial net losses and negative cash flows from operating activities since our inception and expect to continue to incur substantial net losses as we continue our drilling program. We face challenges and uncertainties in financial planning as a result of the unavailability of historical data and uncertainties regarding the nature, scope and results of our future activities. New companies must develop successful business relationships, establish operating procedures, hire staff, install management information and other systems, establish facilities and obtain licenses, as well as take other measures necessary to conduct their intended business activities. We may not be successful in implementing our business strategies, in establishing necessary staffing or personnel levels, or in completing the development of the infrastructure necessary to conduct our business as planned. In the event that our drilling schedules are not completed, delayed or terminated, our operating results will be adversely affected and our operations will differ materially from the activities described in this Annual Report on Form 10-K. As a result of industry factors or factors relating specifically to us, we may have to change our methods of conducting business, which may cause a material adverse effect on our results of operations and financial condition.

We are dependent on certain members of our management and technical team.

Investors in our common stock must rely upon the ability, expertise, judgment and discretion of our management and the success of our technical team in identifying, discovering and developing oil reserves. Our performance and success are dependent, in part, upon key members of our management and technical team, and their loss or departure could be detrimental to our future success. In making a decision to invest in our common stock, you must be willing to rely to a significant extent on our management's discretion and judgment. A significant portion of our senior management and technical team's equity in us will vest in coming years or pursuant to their employment agreements. In addition, a significant portion of our employee base is at or near retirement age. Furthermore, we utilize the services of a number of individual consultants for contractually fixed periods of time. If we are unable to retain or replace our employees and individual consultants as we grow our business, their loss could have a material adverse effect on our results of operations and financial condition, as well as on the market price of our common stock.

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Our business plan requires substantial additional capital, which we may be unable to raise on acceptable terms in the future, which may in turn limit our ability to develop our exploration and production plans.

We expect our capital outlays and operating expenditures to increase substantially over at least the next several years as we expand our operations. Exploration and production plans and obtaining additional leases or concessional licenses and seismic data are very expensive, and we expect that we will need to raise substantial additional capital, through future private or public equity offerings, strategic alliances or debt financing, before we achieve commercialization of any of our properties.

Our future capital requirements will depend on many factors, including:

- the scope, rate of progress and cost of our exploration and production activities;
- the extent to which we invest in additional oil leases or concessional licenses;
- oil and natural gas prices;
- our ability to locate and acquire hydrocarbon reserves;
- our ability to produce oil or natural gas from those reserves;
- the terms and timing of any drilling and other production-related arrangements that we may enter into;
- the cost and timing of governmental approvals and/or concessions; and
- the effects of competition by larger companies operating in the oil and gas industry.

While we believe our operations will be adequately funded at least through 2013, we do not currently have any commitments for future external funding and we do not expect to generate any revenue from production for several years. Additional financing may not be available on favorable terms, or at all. Even if we succeed in selling additional securities to raise funds, at such time the ownership percentage of our existing stockholders would be diluted, and new investors may demand rights, preferences or privileges senior to those of existing stockholders. If we raise additional capital through debt financing, the financing may involve covenants that restrict our business activities. If we choose to farm-out interests in our leases or licenses, we would dilute our ownership interest subject to the farm-out and any potential value resulting therefrom, and we may lose operating control over such prospects.

In order to protect our exploration and production rights in our license areas, we must meet various drilling and declaration requirements. Assuming we are able to commence exploration and production activities or successfully exploit our properties during the primary license term, our licenses over the developed areas of a prospect could extend beyond the primary term, generally for the life of production. However, unless we make and declare discoveries within certain time periods specified in the documents governing our licenses, our interests in either the undeveloped parts of our license areas (as is the case in Angola and Gabon) or the whole block (as is the case in the U.S. Gulf of Mexico) may be forfeited, we may be subject to significant penalties or be required to make additional payments in order to maintain such licenses. The costs to maintain licenses may fluctuate and may increase significantly since the original term, and we may not be able to renew or extend such licenses on commercially reasonable terms or at all. If we are not successful in raising additional capital, we may be unable to continue our exploration and production activities or successfully exploit our properties, and we may lose the rights to develop these properties upon the expiration of our licenses.

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Under the terms of our various license agreements, we are contractually obligated to drill wells and declare any discoveries in order to retain exploration and production rights. In the competitive market for our license areas, failure to declare any discoveries and thereby establish development areas may result in substantial license renewal costs or loss of our interests in the undeveloped parts of our license areas, which may include certain of our prospects.

In order to protect our exploration and production rights in our license areas, we must meet various drilling and declaration requirements. In general, unless we make and declare discoveries within certain time periods specified in our various license agreements and leases, our interests in the undeveloped parts of our license (as is the case in Angola and Gabon) or the whole block (as is the case in the U.S. Gulf of Mexico) areas may lapse and we may be subject to significant penalties or be required to make additional payments in order to maintain such licenses. For example, under the Risk Services Agreements for Blocks 9 and 21 offshore Angola, in order to preserve our rights in these blocks, we will be required to drill three and four wells, respectively, within four years of the signing of the Risk Services Agreements, or early 2014, subject to certain extensions. Under the PSC for Block 20 offshore Angola, in order to preserve our rights in the block, we will be required to drill four exploratory wells within five years of the signing of the PSC, subject to certain extensions. In addition, most of our U.S. Gulf of Mexico blocks have a 10-year primary term, expiring between 2016 and 2020. Generally, we are required to commence exploration and production activities or successfully exploit our properties during the primary lease term in order for these leases to extend beyond the primary lease term. Should the prospects we have identified in this Annual Report on Form 10-K under the licenses currently in place yield discoveries, we cannot assure you that we will not face delays in drilling these prospects or otherwise have to relinquish these prospects. The costs to maintain licenses over such areas may fluctuate and may increase significantly since the original term, and we may not be able to renew or extend such licenses on commercially reasonable terms or at all. Our actual drilling activities may therefore materially differ from our current expectations, which could adversely affect our business. For each of our blocks and license areas, we cannot assure you that any renewals or extensions will be granted or whether any new agreements or leases will be available on commercially reasonable terms, or, in some cases, at all.

A substantial or extended decline in oil prices may adversely affect our business, financial condition and results of operations.

The price that we will receive for our oil production will significantly affect our revenue, profitability, access to capital and future growth rate. Historically, the oil markets have been volatile and will likely continue to be volatile in the future. The prices that we will receive for our production and the levels of our production depend on numerous factors. These factors include, but are not limited to, the following:

- changes in supply and demand for oil and natural gas;
- the actions of the Organization of the Petroleum Exporting Countries;
- the price and quantity of imports of foreign oil and natural gas;
- speculation as to the future price of oil and the speculative trading of oil futures contracts;
- global economic conditions;
- political and economic conditions, including embargoes, in oil-producing countries or affecting other oil-producing activities, particularly in the Middle East, Africa, Russia and South America;
- the continued threat of terrorism and the impact of military and other action, including U.S. military operations in the Middle East;
- the level of global oil exploration and production activity;

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- the level of global oil inventories and oil refining capacities;
- weather conditions and other natural disasters;
- technological advances affecting energy consumption;
- domestic and foreign governmental regulations;
- proximity and capacity of oil pipelines and other transportation facilities;
- the price and availability of competitors' supplies of oil; and
- the price and availability of alternative fuels.

Oil prices have fluctuated dramatically in recent times and will likely continue to be volatile in the future. Lower oil prices may not only decrease our revenues on a per unit basis but also may reduce the amount of oil that we can produce economically. A substantial or extended decline in oil prices may materially and adversely affect our future business, financial condition, results of operations, liquidity or ability to finance planned capital expenditures.

We are subject to numerous risks inherent to the exploration and production of oil.

Oil exploration and production activities involve many risks that a combination of experience, knowledge and careful evaluation may not be able to overcome. Our future success will depend on the success of our exploration and production activities and on the future existence of the infrastructure that will allow us to take advantage of our findings. Additionally, our oil properties are located in deepwater, which generally increases the capital and operating costs, technical challenges and risks associated with oil exploration and production activities. As a result, our oil exploration and production activities are subject to numerous risks, including the risk that drilling will not result in commercially viable oil production. Our decisions to purchase, explore, develop or otherwise exploit prospects or properties will depend in part on the evaluation of seismic data through geophysical and geological analyses, production data and engineering studies, the results of which are often inconclusive or subject to varying interpretations.

Furthermore, the marketability of expected oil production from our prospects will also be affected by numerous factors. These factors include, but are not limited to, market fluctuations of prices, proximity, capacity and availability of pipelines, the availability of processing facilities, equipment availability and government regulations (including, without limitation, regulations relating to prices, taxes, royalties, allowable production, importing and exporting of oil, environmental protection and climate change). The effect of these factors, individually or jointly, may result in us not receiving an adequate return on invested capital.

In the event that our drilling programs are developed and become operational, they may not produce oil in commercial quantities or at the costs anticipated, and our projects may cease production, in part or entirely, in certain circumstances. Drilling programs may become uneconomic as a result of an increase in operating costs to produce oil. Our actual operating costs may differ materially from our current estimates. Moreover, it is possible that other developments, such as increasingly strict environmental, health and safety laws and regulations and enforcement policies thereunder and claims for damages to natural resources, property or persons resulting from our operations, could result in substantial costs and liabilities, delays, an inability to complete our drilling programs or the abandonment of such drilling programs, which could cause a material adverse effect on our results of operations and financial condition.

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We are subject to drilling and other operational hazards.

The exploration and production business involves a variety of operating risks, including, but not limited to:

- blowouts, cratering and explosions;
- mechanical and equipment problems;
- uncontrolled flows or leaks of oil or well fluids, natural gas or other pollution;
- fires and gas flaring operations;
- marine hazards with respect to offshore operations;
- formations with abnormal pressures;
- pollution, other environmental risks and geological problems; and
- weather conditions and natural disasters.

These risks are particularly acute in deepwater drilling and exploration for natural resources. Any of these events could result in loss of human life, significant damage to property, environmental damage, impairment of our operations and substantial losses. In accordance with customary industry practice, we expect to maintain insurance against some, but not all, of these risks and losses. We do not carry business interruption insurance. The occurrence of any of these events, whether or not covered by insurance, could have a material adverse effect on our results of operations and financial condition, as well as on the market price of our common stock.

We are members of several industry groups that provide general and specific oil spill and well containment resources in the U.S. Gulf of Mexico and offshore West Africa, including, but not limited to, the Helix Well Containment Group, Clean Gulf Associates, the Marine Preservation Association, and the National Response Corporation. Through these industry groups, as described under "Business—Containment Resources", we have contractual rights to access certain oil spill and well containment resources. We can make no assurance that these resources will perform as designed or be able to fully contain or cap any oil spill, blow-out or uncontrolled flow of hydrocarbons. Furthermore, our contracts for the use of oil spill and well containment resources contain strict indemnity provisions that generally require us to indemnify the contractor for all losses incurred as a result of assisting us in our oil spill and well containment efforts, subject to certain exceptions and limitations. In the event we experience a subsea blowout, explosion, fire, uncontrolled flow of hydrocarbons or any of the other operational risks identified above, the oil spill and well containment resources which we have contractual rights to will not prevent us from incurring losses or shield us from liability, which could be substantial and have a material adverse effect on our results of operations and financial condition, as well as on the market price of our common stock.

Our operations will involve special risks that could adversely affect operations.

Offshore operations are subject to a variety of operating risks specific to the marine environment, such as capsizing, collisions and damage or loss from hurricanes or other adverse weather conditions. These conditions can cause substantial damage to facilities and interrupt our operations. As a result, we could incur substantial expenses that could reduce or eliminate the funds available for exploration, development or leasehold acquisitions, or result in loss of equipment and properties. In particular, we do not carry, and have no plans to carry, business interruption insurance due to the fact that this is not economically viable, and therefore we may not be able to rely on insurance coverage in the event of such natural phenomena.

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Deepwater exploration generally involves greater operational and financial risks than exploration on the shelf. Deepwater drilling generally requires more time and more advanced drilling technologies, involving a higher risk of technological failure and usually higher drilling costs. Such risks are particularly applicable to our deepwater exploration efforts in the Lower Tertiary trend and pre-salt offshore Angola and Gabon, as there has been limited drilling activity in these areas. In addition, there may be production risks of which we are currently unaware. Whether we use existing pipeline infrastructure, participate in the development of new subsea infrastructure or use floating production systems to transport oil from producing wells, if any, these operations may require substantial time for installation, or encounter mechanical difficulties and equipment failures that could result in significant cost overruns and delays. Furthermore, deepwater operations generally, and operations in the Lower Tertiary and offshore West Africa trends in particular, lack the physical and oilfield service infrastructure present on the shelf. As a result, a significant amount of time may elapse between a deepwater discovery and the marketing of the associated oil, increasing both the financial and operational risk involved with these operations. Because of the lack and high cost of this infrastructure, reserve discoveries we make in the deepwater, if any, may never be economically producible.

Our operations in the U.S. Gulf of Mexico may be adversely impacted by tropical storms and hurricanes.

Tropical storms, hurricanes and the threat of tropical storms and hurricanes often result in the shutdown of operations in the U.S. Gulf of Mexico as well as operations within the path and the projected path of the tropical storms or hurricanes. In the future, during a shutdown period, we may be unable to access wellsites and our services may be shut down. Additionally, tropical storms or hurricanes may cause evacuation of personnel and damage to offshore drilling rigs and other equipment, which may result in suspension of our operations. The shutdowns, related evacuations and damage can create unpredictability in activity and utilization rates, as well as delays and cost overruns, which may have a material adverse effect on our results of operations and financial condition, as well as on the market price of our common stock.

The geographic concentration of our properties in the U.S. Gulf of Mexico and offshore Angola and Gabon subjects us to an increased risk of loss of revenue or curtailment of production from factors specifically affecting the U.S. Gulf of Mexico and offshore Angola and Gabon.

Our properties are concentrated in three countries: the U.S. Gulf of Mexico and offshore Angola and Gabon. Some or all of these properties could be affected should such regions experience:

- severe weather or natural disasters;
- moratoria on drilling or permitting delays;
- delays or decreases in production;
- delays or decreases in the availability of drilling rigs and related equipment, facilities, personnel or services;
- delays or decreases in the availability of capacity to transport, gather or process production; and/or
- changes in the regulatory, political and fiscal environment.

For example, in response to the Deepwater Horizon incident, the U.S. government and its regulatory agencies with jurisdiction over oil and gas exploration, including the DOI and the BSEE, imposed moratoria on drilling operations, required operators to reapply for exploration plans and drilling permits and adopted extensive new regulations, which effectively halted drilling operations in the deepwater U.S. Gulf of Mexico for a period of time. Additionally, oil properties located in the U.S. Gulf of Mexico were significantly damaged by Hurricanes Katrina and Rita, which required our

competitors to spend a significant amount of time and capital on inspections, repairs, debris removal, and the drilling of replacement wells. We maintain insurance coverage for only a portion of these risks. There also may be certain risks covered by insurance where the policy does not reimburse us for all of the costs related to a loss. We do not carry business interruption insurance.

Due to the concentrated nature of our portfolio of properties, a number of our properties could experience any of the same conditions at the same time, resulting in a relatively greater impact on our results of operations than they might have on other companies that have a more diversified portfolio of properties.

Our operations may be adversely affected by political and economic circumstances in the countries in which we operate.

Our oil exploration, development and production activities are subject to political and economic uncertainties (including but not limited to changes, sometimes frequent or marked, in energy policies or the personnel administering them), expropriation of property, cancellation or modification of contract rights, foreign exchange restrictions, currency fluctuations, royalty and tax increases and other risks arising out of governmental sovereignty over the areas in which our operations are conducted, as well as risks of loss due to civil strife, acts of war, guerrilla activities and insurrection. Some of these risks may be higher in the developing countries in which we conduct our activities, namely, Angola and Gabon.

Our operations are exposed to risks of war, local economic conditions, political disruption, civil disturbance and governmental policies that may:

- disrupt our operations;
- restrict the movement of funds or limit repatriation of profits;
- in the case of our non-U.S. operations, lead to U.S. government or international sanctions; and
- limit access to markets for periods of time.

Disruptions may occur in the future, and losses caused by these disruptions may occur that will not be covered by insurance. Consequently, our exploration, development and production activities may be substantially affected by factors which could have a material adverse effect on our financial condition and results of operations. Furthermore, in the event of a dispute arising from non-U.S. operations, we may be subject to the exclusive jurisdiction of courts outside the U.S. or may not be successful in subjecting non-U.S. persons to the jurisdiction of courts in the U.S., which could adversely affect the outcome of such dispute.

Our operations may also be adversely affected by laws and policies of the jurisdictions, including Angola, Gabon, the United States, the Cayman Islands and other jurisdictions, in which we do business, that affect foreign trade and taxation. Changes in any of these laws or policies or the implementation thereof, could have a material adverse effect on our results of operations and financial position, as well as on the market price of our common stock.

The oil and gas industry, including the acquisition of exploratory acreage in the U.S. Gulf of Mexico and offshore West Africa, is intensely competitive.

The international oil and gas industry, including in the U.S. Gulf of Mexico and West Africa, is highly competitive in all aspects, including the exploration for, and the development of, new sources of supply. We operate in a highly competitive environment for acquiring exploratory acreage and hiring and retaining trained personnel. Many of our competitors possess and employ financial, technical and personnel resources substantially greater than us, which can be particularly important in the areas in which we operate. These companies may be able to pay more for productive oil properties and

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prospects and to evaluate, bid for and purchase a greater number of properties and prospects than our financial or personnel resources permit. Furthermore, these companies may also be better able to withstand the financial pressures of unsuccessful drill attempts, delays, sustained periods of volatility in financial markets and generally adverse global and industry-wide economic conditions, and may be better able to absorb the burdens resulting from changes in relevant laws and regulations, which would adversely affect our competitive position. Our ability to acquire additional prospects and to find and develop reserves in the future will depend on our ability to evaluate and select suitable properties and to consummate transactions in a highly competitive environment. Also, there is substantial competition for available capital for investment in the oil and gas industry. As a result of these and other factors, we may not be able to compete successfully in an intensely competitive industry, which could have a material adverse effect on our results of operations and financial condition, as well as on the market price of our common stock.

Participants in the oil and gas industry are subject to complex laws that can affect the cost, manner or feasibility of doing business.

Exploration and production activities in the oil and gas industry are subject to extensive local, state, federal and international regulations. We may be required to make large expenditures to comply with governmental regulations, particularly in respect of the following matters:

- licenses for drilling operations;
- royalty increases, including retroactive claims;
- drilling and development bonds and social payment obligations;
- reports concerning operations;
- the spacing of wells;
- unitization of oil accumulations;
- remediation or investigation activities for environmental purposes; and
- taxation.

Under these and other laws and regulations, we could be liable for personal injuries, property damage and other types of damages. Failure to comply with these laws and regulations also may result in the suspension or termination of our operations and subject us to administrative, civil and criminal penalties. Moreover, these laws and regulations could change in ways that could substantially increase our costs. Any such liabilities, penalties, suspensions, terminations or regulatory changes could have a material adverse effect on our results of operations and financial condition, as well as on the market price of our common stock.

We and our operations are subject to numerous environmental, health and safety regulations which may result in material liabilities and costs.

We are, and our future operations will be, subject to various international, foreign, federal, state and local environmental, health and safety laws and regulations governing, among other things, the emission and discharge of pollutants into the ground, air or water, the generation, storage, handling, use and transportation of regulated materials and the health and safety of our employees. We are required to obtain various environmental permits from governmental authorities for our operations, including drilling permits for our wells. There is a risk that we have not been or will not be at all times in complete compliance with these permits and the environmental laws and regulations to which we are subject. If we violate or fail to comply with these laws, regulations or permits, we could be fined or otherwise sanctioned by regulators, including through the revocation of our permits or the suspension

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or termination of our operations. If we fail to obtain permits in a timely manner or at all (due to opposition from community or environmental interest groups, governmental delays, changes in laws or the interpretation thereof or any other reasons), such failure could impede our operations, which could have a material adverse effect on our results of operations and our financial condition.

We, as the named lessee or as the designated operator under our current and future oil leases, could be held liable for all environmental, health and safety costs and liabilities arising out of our actions and omissions as well as those of our third-party contractors. To the extent we do not address these costs and liabilities or if we are otherwise in breach of our lease requirements, our leases could be suspended or terminated. We have contracted with and intend to continue to hire third parties to perform the majority of the drilling and other services related to our operations. There is a risk that we may contract with third parties with unsatisfactory environmental, health and safety records or that our contractors may be unwilling or unable to cover any losses associated with their acts and omissions. Accordingly, we could be held liable for all costs and liabilities arising out of the acts or omissions of our contractors, which could have a material adverse effect on our results of operations and financial condition.

As the designated operator of certain of our leases, we are required to maintain bonding or insurance coverage for certain risks relating to our operations, including environmental risks. We maintain insurance at levels that we believe are consistent with current industry practices, but we are not fully insured against all risks. Our insurance may not cover any or all environmental claims that might arise from our operations or those of our third-party contractors. If a significant accident or other event occurs and is not fully covered by our insurance, or our third-party contractors have not agreed to bear responsibility, such accident or event could have a material adverse effect on our results of operations and our financial condition. In addition, we may not be able to obtain required bonding or insurance coverage at all or in time to meet our anticipated startup schedule for each well, and if we fail to obtain this bonding or coverage, such failure could have a material adverse effect on our results of operations and financial condition.

Releases to deepwater of regulated substances are common, and under certain environmental laws, we could be held responsible for all of the costs relating to any contamination caused by us or our contractors, at our facilities and at any third party waste disposal sites used by us or on our behalf. These costs could be material. In addition, offshore oil exploration and production involves various hazards, including human exposure to regulated substances, including naturally occurring radioactive materials. As such, we could be held liable for any and all consequences arising out of human exposure to such substances or other damage resulting from the release of regulated substances to the environment, endangered species, property or to natural resources.

Particularly since the Deepwater Horizon event in the U.S. Gulf of Mexico, there has been an increased interest in making regulation of deepwater oil and gas exploration and production more stringent in the U.S. If adopted, certain proposals such as to increase significantly or eliminate financial liability caps for economic damages, significantly raise daily penalties for infractions and require significantly more comprehensive financial assurance requirements under OPA could affect our results of operations and our financial condition.

In addition, we expect continued attention to climate change issues. Various countries and U.S. states and regions have agreed to regulate emissions of greenhouse gases ("GHG"), including methane (a primary component of natural gas) and carbon dioxide, a byproduct of oil and natural gas combustion. Additionally, the U.S. Congress has in the past and may in the future consider legislation requiring reductions in GHG emissions. The EPA began regulating GHG emissions from certain stationary sources on January 2, 2011 and has enacted and proposed GHG emissions standards for certain classes of vehicles. The EPA has also adopted rules requiring the reporting of GHG emissions, including from certain offshore oil and natural gas production facilities on an annual basis. The

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regulation of GHGs and the physical impacts of climate change in the areas in which we, our customers and the end-users of our products operate could adversely impact our operations and the demand for our products.

Environmental, health and safety laws are complex, change frequently and have tended to become increasingly stringent over time. Our costs of complying with current and future environmental, health and safety laws, and our liabilities arising from releases of, or exposure to, regulated substances may adversely affect our results of operations and our financial condition. See "Business—Environmental Matters and Regulation."

Non-U.S. holders of our common stock, in certain situations, could be subject to U.S. federal income tax upon the sale, exchange or other disposition of our common stock.

Our assets consist primarily of interests in U.S. oil and gas properties (which constitute U.S. real property interests for purposes of determining whether we are a U.S. real property holding corporation) and interests in non-U.S. oil and gas properties, the relative values of which at any time may be uncertain and may fluctuate significantly over time. Therefore, we may be, now or at any time while a non-U.S. investor owns our common stock, a U.S. real property holding corporation. As a result, under the Foreign Investment in Real Property Tax Act ("FIRPTA"), certain non-U.S. investors may be subject to U.S. federal income tax on gain from the disposition of shares of our common stock, in which case they would also be required to file U.S. tax returns with respect to such gain. Whether these FIRPTA provisions apply depends on the amount of our common stock that such non-U.S. investors hold and whether, at the time they dispose of their shares, our common stock is regularly traded on an established securities market (such as the NYSE) within the meaning of the applicable Treasury Regulations. So long as our common stock is listed on the NYSE, only a non-U.S. investor who has held, actually or constructively, more than 5% of our common stock may be subject to U.S. federal income tax on the disposition of our common stock under FIRPTA.

We may be exposed to liabilities under the U.S. Foreign Corrupt Practices Act, and any determination that we violated the U.S. Foreign Corrupt Practices Act could have a material adverse effect on our business.

We are subject to the U.S. Foreign Corrupt Practices Act ("FCPA") and other laws that prohibit improper payments or offers of payments to foreign governments and their officials and political parties for the purpose of obtaining or retaining business. We do business and may do additional business in the future in countries and regions in which we may face, directly or indirectly, corrupt demands by officials, tribal or insurgent organizations, or private entities. Thus, we face the risk of unauthorized payments or offers of payments by one of our employees or consultants, given that these parties may not always be subject to our control. Our existing safeguards and any future improvements may prove to be less than effective, and our employees and consultants may engage in conduct for which we might be held responsible.

In connection with entering into our RSAs for Blocks 9 and 21 offshore Angola, two Angolan-based E&P companies were assigned as part of the contractor group by the Angolan government. We had not worked with either of these companies in the past, and, therefore, our familiarity with these companies was limited. In the fall of 2010, we were made aware of allegations of a connection between senior Angolan government officials and one of these companies, Nazaki Oil and Gáz, S.A. ("Nazaki"), which is a full paying member of the contractor group. Nazaki has repeatedly denied the allegations in writing. In March 2011, the SEC commenced an informal inquiry into these allegations. To avoid non-overlapping information requests, we voluntarily contacted the U.S. Department of Justice ("DOJ") with respect to the SEC's informal request and offered to respond to any requests the DOJ may have. Since such time, we have been complying with all requests from the SEC and DOJ with respect to their inquiry. In November 2011, a formal order of investigation was issued by the SEC related to our operations in Angola. We are fully cooperating with the SEC and DOJ investigations,

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have conducted an extensive investigation into these allegations and believe that our activities in Angola have complied with all laws, including the FCPA. We cannot provide any assurance regarding the duration, scope, developments in, results of or consequences of these investigations.

In the future, we may be partnered with other companies with whom we are unfamiliar. Violations of the FCPA may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could negatively affect our business, operating results and financial condition. In addition, the government may seek to hold us liable for successor liability FCPA violations committed by companies in which we invest or that we acquire.

We may incur substantial losses and become subject to liability claims as a result of future oil and natural gas operations, for which we may not have adequate insurance coverage.

We maintain insurance to protect us and our subsidiaries against losses arising out of our oil and gas operations. Our insurance includes coverage for operator's extra expense, physical damage to our offshore property, general (third party) liability, workers' compensation and employer's liability, seepage and pollution and other risks. Our insurance includes various limits and deductibles or retentions, which must be met prior to or in conjunction with recovery. Additionally, our insurance is subject to the terms, conditions and exclusions of such policies. We have various insurance coverages with individual policy limits ranging from $1.0 million to $500 million each, with most of our policy limits scaling to the working interest we have in our prospects. While we maintain insurance levels, deductibles and retentions that we believe are prudent and responsible, there is no assurance that such coverage will adequately protect us against liability from all potential consequences and damages.

In general, our current insurance policies cover physical damage to our oil and gas assets. The coverage is designed to repair or replace assets damaged by insurable events.

Our excess liability policies generally provide coverage for bodily injury and property damage, including coverage for seepage and pollution. This liability coverage covers claims for bodily injury or death brought against us by or on behalf of individuals who are not our employees.

Our energy insurance package includes coverage for operator's extra expense, which provides coverage for control of well, re-drill and pollution arising from a covered event. We have identified certain unencumbered assets in the U.S. Gulf of Mexico to the BOEM in order to demonstrate $100 million of Oil Spill Financial Responsibility through self-insurance under OPA. Additionally, as noted above, our excess liability policies provide coverage (dependent on the asset) for bodily injury and property damage, including coverage for negative environmental effects such as seepage and pollution. Legislation has been proposed to increase the limit of the Oil Spill Financial Responsibility policy required for the certificate and there is no assurance that we will be able to obtain this insurance should that happen.

The occurrence of a significant accident or other event not fully covered by our insurance could have a material adverse effect on our operations and financial condition. Our insurance does not protect us against all operational risks. We do not carry business interruption insurance. For some risks, we may not obtain insurance if we believe the cost of available insurance is excessive relative to the risks presented. Because third-party contractors and other service providers are used in our offshore operations, we may not realize the full benefit of worker's compensation laws in dealing with their employees. In addition, pollution and environmental risks generally are not fully insurable.

Generally, under our contracts with drilling and other oilfield service contractors, we are obligated, subject to certain exceptions and limitations, to indemnify such contractors for all claims arising out of damage to our property, injury or death to our employees and pollution emanating from the well-bore, including pollution resulting from blow-outs and uncontrolled flows of hydrocarbons.

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The adoption of The Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, and the rules to be promulgated thereunder, could have an adverse effect on our business.

The Dodd-Frank Act requires, no later than 270 days after the enactment of the Dodd-Frank Act, the SEC to promulgate rules requiring SEC reporting companies that engage in the commercial development of oil, natural gas or minerals, to include in their annual reports filed with the SEC disclosure about all payments (including taxes, royalties, fees and other amounts) made by the issuer or an entity controlled by the issuer to the United States or to any non-U.S. government for the purpose of commercial development of oil, natural gas or minerals. The SEC has not yet promulgated these rules. Accordingly, as these rules are yet to be released and are not yet effective, we are unable to predict what form these rules may take and whether we will be able to comply with them without adversely impacting our business, or at all. Any of these consequences could have a material adverse effect on us, our financial condition and our results of operations.

Risks Relating to our Common Stock

Our stock price may be volatile, and investors in our common stock could incur substantial losses.

Our stock price may be volatile. The stock market in general has experienced extreme volatility that has often been unrelated to the operating performance of particular companies. The market price for our common stock may be influenced by many factors, including, but not limited to:

- the price of oil and natural gas;
- the success of our exploration and development operations, and the marketing of any oil we produce;
- regulatory developments in the United States and foreign countries where we operate;
- the recruitment or departure of key personnel;
- quarterly or annual variations in our financial results or those of companies that are perceived to be similar to us;
- market conditions in the industries in which we compete and issuance of new or changed securities;
- analysts' reports or recommendations;
- the failure of securities analysts to cover our common stock or changes in financial estimates by analysts;
- the inability to meet the financial estimates of analysts who follow our common stock;
- the issuance of any additional securities of ours;
- investor perception of our company and of the industry in which we compete; and
- general economic, political and market conditions.

A substantial portion of our total outstanding shares may be sold into the market at any time. This could cause the market price of our common stock to drop significantly, even if our business is doing well.

All of the shares sold in our public offerings are freely tradable without restrictions or further registration under the federal securities laws, unless purchased by our "affiliates" as that term is defined in Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"). Substantially all the remaining shares of common stock are restricted securities as defined in Rule 144 under the Securities Act. Restricted securities may be sold in the U.S. public market only if registered or if they qualify for an exemption from registration, including by reason of Rules 144 or 701 under the Securities Act. All of our restricted shares became eligible for sale in the public market in late 2010, subject in certain circumstances to the volume, manner of sale and other limitations under Rule 144. Additionally,

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we have registered all shares of our common stock that we may issue under our employee and director benefit plans. These shares can be freely sold in the public market upon issuance, unless pursuant to their terms these stock awards have transfer restrictions attached to them. Sales of a substantial number of shares of our common stock, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock.

Ownership of our capital stock is concentrated among our largest stockholders and their affiliates.

Our four largest stockholders collectively own approximately 65% of our outstanding common stock. Consequently, these stockholders have significant influence over all matters that require approval by our stockholders, including the election of directors and approval of significant corporate transactions. This concentration of ownership will limit your ability to influence corporate matters, and as a result, actions may be taken that you may not view as beneficial.

Provisions of our certificate of incorporation and by-laws could discourage potential acquisition proposals and could deter or prevent a change in control.

Some provisions in our certificate of incorporation and by-laws, as well as Delaware statutes, may have the effect of delaying, deferring or preventing a change in control. These provisions, including those providing for the possible issuance of shares of our preferred stock and the right of the board of directors to amend the by-laws, may make it more difficult for other persons, without the approval of our board of directors, to make a tender offer or otherwise acquire a substantial number of shares of our common stock or to launch other takeover attempts that a stockholder might consider to be in his or her best interest. These provisions could limit the price that some investors might be willing to pay in the future for shares of our common stock.

We are a "controlled company" within the meaning of the NYSE rules and, as a result, we qualify for and rely on exemptions from certain corporate governance requirements.

Funds affiliated with First Reserve Corporation, Goldman, Sachs & Co., Riverstone Holdings LLC and The Carlyle Group, and KERN Partners Ltd. and certain limited partners in such funds affiliated with KERN Partners Ltd., respectively, control a majority of the voting power of our outstanding common stock. Consequently we are a "controlled company" within the meaning of the NYSE corporate governance standards. Under the NYSE rules, a company of which more than 50% of the voting power is held by another person or group of persons acting together is a "controlled company" and may elect not to comply with certain NYSE corporate governance requirements, including the requirements that:

- a majority of the board of directors consist of independent directors;
- the nominating and corporate governance committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;
- the compensation committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- there be an annual performance evaluation of the nominating and corporate governance and compensation committees.

We are currently treated as a controlled company and utilize these exemptions, including the exemption for a board of directors composed of a majority of independent directors. In addition, although we have adopted charters for our audit, nominating and corporate governance and compensation committees and conduct annual performance evaluations for these committees, only the audit committee is presently composed entirely of independent directors. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to all of the NYSE corporate governance requirements.

Exhibit 10.20

TRANSLATION

PRODUCTION SHARING CONTRACT

BETWEEN

**SOCIEDADE NACIONAL DE COMBUSTÍVEIS DE ANGOLA,
EMPRESA PÚBLICA - (SONANGOL, E.P.)**

AND

CIE ANGOLA BLOCK 20 LTD.

SONANGOL PESQUISA E PRODUÇÃO, S.A.

BP EXPLORATION ANGOLA (KWANZA BENGUELA) LIMITED

CHINA SONANGOL INTERNATIONAL HOLDING LIMITED

IN THE

AREA OF BLOCK 20/11

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Annexes

Annex B	Map showing the Contract Area
Annex C	Accounting and Financial Procedures
Annex D	Corporate Guarantee
Annex E	Financial Guarantee
Annex F	Principles for the Transfer of Operatorship to Sonangol P&P

Contracting Parties

This Contract is entered into between:

on the one part:

Sociedade Nacional de Combustíveis de Angola, Empresa Pública (Sonangol, E.P.), hereinafter referred to as **"Sonangol"**, a company with headquarters in Luanda, Republic of Angola, created in accordance with Decree No. 52/76, of 9 June 1976;

and, on the other part:

CIE Angola Block 20 LTD, a company organized and existing under the laws of the Cayman Islands, hereinafter referred to as **"Cobalt"**, with offices and legal representative in Luanda, Republic of Angola;

Sonangol Pesquisa e Produção, S.A., a company organized and existing under the laws of the Republic of Angola, hereinafter referred to as **"Sonangol P&P"**, with offices and legal representative in Luanda, Republic of Angola;

BP Exploration Angola (Kwanza Benguela) Limited, a company organized and existing under the laws of England, hereinafter referred to as "**"BP"**, with offices and legal representative in Luanda, Republic of Angola;

and

China Sonangol International Holding Limited, a company organized and existing under the laws of Hong Kong, hereinafter referred to as "**"China Sonangol"**, with offices and legal representative in Luanda, Republic of Angola.

Recitals

WHEREAS, through Presidential Decree No.303 /11, of December 15, the Executive Power of the Republic of Angola, in accordance with the Petroleum Activities Law (Law No. 10/04, of 12 November 2004), has granted Sonangol an exclusive concession for the exercise of the mining rights for prospecting, Exploration, Development and Production of liquid and gaseous hydrocarbons in the Concession Area of Block 20/11;

WHEREAS, under Presidential Decree No. 303/11, of December 15, the Executive Power has authorized Sonangol to enter into a Production Sharing Contract for Block 20/11;

WHEREAS, Sonangol, with a view to carry out the Petroleum Operations necessary to duly exercise such rights and in compliance with the obligations deriving from the Concession Decree, wishes to sign a Production Sharing Contract with Cobalt, Sonangol P&P, BP and China Sonangol;

WHEREAS, Sonangol, on the one hand, and Cobalt, Sonangol P&P, BP and China Sonangol, on the other hand, have agreed that this Contract will regulate their mutual rights and obligations in the execution of said Petroleum Operations;

NOW, therefore, Sonangol, on the one hand, and Cobalt, Sonangol P&P, BP and China Sonangol, on the other hand, agree as follows:

Article 1

(Definitions)

For the purposes of this Contract, and unless otherwise expressly stated in the text, certain words and expressions used herein shall have the following meaning, it being understood that reference to the singular includes reference to the plural and vice versa:

1. "Administration and Services" means the set of activities carried out in support of Petroleum Operations and shall include, but not be limited to, all activities in general management and common support of Petroleum Operations such as direction, supervision and related

4. The Contractor Group is authorized and hereby undertakes to execute, under the supervision and control of the Operating Committee, and within the limits of the budgeted expenses, the approved Development and Production Work Plans and Budgets, together with any revised versions of the same.

Article 20

(Lifting Schedule)

1. The Operating Committee shall approve a Lifting Schedule, not later than ninety (90) days prior to January 1 and July 1 of each Civil Year following the commencement of commercial production and in accordance with the approved Production Plan, and furnish in writing to Sonangol and the entities constituting Contractor Group a forecast setting out the total quantity of Petroleum that the Operating Committee estimates can be produced, saved, transported and lifted hereunder during each of the next four (4) Quarters in accordance with sound practices generally accepted in the international petroleum industry.

2. Contractor Group shall endeavor to produce in each Quarter the quantity of Petroleum forecast in the Production Plan.

3. The Crude Oil shall, if appropriate, be run to storage tanks built, maintained and operated by Contractor Group, and shall be metered or otherwise measured as required to meet the purposes of this Contract and the Law.

Article 21

(Guarantees)

1. The minimum Exploration work obligations shall be secured by financial guarantees substantially in the form set out in Annex E.

2. The financial guarantees referred to in the previous paragraph shall be given by Cobalt, BP and China Sonangol in the percentages shown below not later than thirty (30) days after the date of execution of the Contract, in respect of the minimum work obligations of the Initial Exploration Phase, or after the commencement of the Optional Phase of the Exploration Period, in respect of the minimum work obligations of said Phase:

- Cobalt	- 57.14%
- BP	- 28.57%
- China Sonangol	- 14.29%

3. The amount of such financial guarantees shall in each Phase be equal to US$ 120,000,000.00 (one hundred and twenty million US dollars) if such Well is a Well with a pre-salt objective, or US$ 70,000,000.00 (seventy million US dollars) in the case of any non pre-salt Well, for each of the obligatory Exploration Wells set forth in

---

Article 15.

4. During the Initial Exploration Phase the financial guarantees shall be increased by US$ 30,000,000.00 (thirty million US dollars) for the obligatory seismic program set forth in Article 15, paragraph 1.

5. The amount of such financial guarantees shall be reduced by US$ 30,000,000.00 (thirty million US dollars) during the Initial Exploration Phase when the obligatory seismic program is completed or for each amount paid in accordance with Article 15, paragraph 6.

6. The financial guarantees shall be reduced by the amount US$ 120,000,000.00 (one hundred and twenty million of US dollars) if such Well is a Well with a pre-salt objective, or US$ 70,000,000.00 (seventy million US dollars) in the case of any non pre-salt Well, when the drilling of each of the obligatory Exploration Wells for each Phase of the Exploration Period is finished, or for each amount paid and/or credited in accordance with paragraphs 7 and 12 of Article 15.

7. If, during any Year of any of the Phases of the Exploration Period, Contractor Group should be deemed to have relinquished, as provided in Article 15.5, all of the Contract Area not converted to a Development Area(s), Contractor Group shall forfeit the full amounts of the financial guarantees, reduced as provided for in the preceding paragraphs 5 and 6.

8. Each of the entities comprising Contractor Group shall also provide Sonangol, if so required by the latter, with a corporate guarantee substantially in the form shown in Annex D hereof or such other form as may be agreed between Sonangol and each of such entities, not later than sixty (60) days after the date of execution of this Contract.

Article 22

(Bonus and contributions)

1. Cobalt, BP and China Sonangol shall pay to Sonangol the following bonus, contributions for social projects and for Sonangol Research and Technology Center in the following percentages:

- Cobalt	- 57.14%
- BP	- 28.57%
- China Sonangol	- 14.29%

---

a) A signature bonus in the amount of US$ 7,500,000.00 (seven million and five hundred thousand US dollars) to be paid on the Effective Date;

b) A contribution for social projects in the amount of US$ 200,000,000.00 (two hundred million US dollars) to be paid on the Effective Date;

c) A contribution for the Sonangol Research and Technology Center in the amount of US$ 350,000,000.00 (three hundred and fifty million US dollars) shall be paid in the following 5 (five) installments:

I. US$ 25,000,000.00 (twenty five million U.S dollars) on the Effective Date;

II. US$ 75,000,000.00 (seventy five million U.S dollars) on the first anniversary of the Effective Date;

III. US$ 75,000,000.00 (seventy five million U.S dollars) on the second anniversary of the Effective Date;

IV. US$ 75,000,000.00 (seventy five million U.S dollars) on the third anniversary of the Effective Date;

V. US$ 100,000,000.00 (one hundred million U.S dollars) on the fourth anniversary of the Effective Date.

2. The signature bonus and the contributions for social projects and for the Sonangol Research and Technology Center referred to in the preceding paragraph, shall not be recovered or amortized by the Contractor Group.

Article 23

(Conservation of Petroleum and prevention of loss)

1. Contractor Group shall adopt all those measures which are necessary and appropriate and consistent with the technology generally in use in the international petroleum industry to prevent loss or waste of Petroleum above or under the ground in any form during Petroleum Exploration, Development, Production, gathering and distribution, storage or transportation operations.

---

2. Upon completion of the drilling of a producing Development Well, Contractor Group shall inform Sonangol of the time when the Well will be tested and shall subsequently inform Sonangol of the resulting estimated production rate of the Well within fifteen (15) days after the conclusion of such tests.

3. Petroleum shall not be produced from multiple independent productive Zones simultaneously through one string of tubing, except with the prior approval of Sonangol.

4. Contractor Group shall record data regarding the quantities of Crude Oil, Natural Gas and water produced monthly from each Development Area, which shall be sent to Sonangol within thirty (30) days after the end of the Month reported on.

5. Daily or weekly statistics and reports regarding the production from the Contract Area shall be made available by Contractor Group at convenient time for examination by authorized representatives of Sonangol.

6. Daily drilling records and graphic logs of Wells shall show the quantity and type of cement and the quantity of any other materials used in the Well for the purposes of protecting Crude Oil, Natural Gas or fresh water bearing strata.

7. Any substantial change of mechanical equipment associated with the Well after its completion shall be subject to the approval of Sonangol.

Article 24

(Records, reports and inspection)

1. Contractor Group shall prepare and, at all times while this Contract is in force, maintain accurate and current records of its activities and operations in the Contract Area and shall keep all information of a technical, economic, accounting or any other nature, developed for the

Ingombota
Luanda
Republic of Angola
Fax: 244 222 331 687

4. Sonangol and Contractor Group shall communicate to each other in writing and with reasonable notice any change of their offices referred to in the preceding paragraphs, if such occurs.

Article 46

(Captions and headings)

Captions and headings are included in this Contract for the sole purpose of systematization and shall have no interpretative value.

Article 47

(Effectiveness)

This Contract shall come into effect on the Effective Date.

IN WITNESS WHEREOF, the Parties hereto have signed this Contract in Portuguese language in Luanda, this 20th day of December of 2011.

Sociedade Nacional de Combustíveis de Angola, Empresa Pública - (Sonangol, E.P.)
Represented by: /s/ Manuel Vicente

CIE Angola Block 20 LTD.
Represented by: /s/ Joseph Bryant

Sonangol Pesquisa e Produção, S.A.

Represented by: /s/ Bento Lourenco

And

Represented by: /s/ Fernando Santos

BP Exploration Angola (Kwanza Benguela) Limited
Represented by: /s/ Martyn Morris

China Sonangol International Holding Limited
Represented by: /s/ Rongsheng Jiang

ANNEX A

DESCRIPTION OF THE CONTRACT AREA

This Annex is part of the Contract.
The Contract Area submitted on the attached map is limited by the lines defined by points 1 to 10, included in the following perimeter:

1. The interception point among the Parallel 9° 15' 00.00" S and Meridian 12º 05' 00.00" E, is the **Point 1** with the coordinates: Latitude 9° 15' 00.00" S and Longitude 12º 05' 00.00" E. From this point towards East direction along the Parallel 9° 15' 00.00" S until intercepting the Meridian 12º 40' 00.00" E, is located the **Point 2**, its coordinates are: Latitude 9° 15' 00.00" S and Longitude 12º 40' 00.00" E. From this point towards South direction along the Meridian 12º 40' 00.00"E until intercepting the Parallel 9° 55' 00.00" S, is the **Point 3** with the coordinates: Latitude 9° 55' 00.00" S and Longitude 12º 40' 00.00" E. From this point towards West direction along the Parallel 9° 55' 00.00" S until it intercepting the Meridian 12º 10' 00.00" E, is the **Point 4** with the coordinates: Latitude 9° 55' 00.00" S and Longitude 12º 10' 00.00" E. From this point towards North direction along the Meridian 12º 10' 00.00" E until intercepting the Parallel 9° 45' 00.00" S, is the **Point 5** with the coordinates: Latitude 9º 45' 00.00" S and Longitude 12° 10' 00.00" E. From this point towards West direction along the Parallel 9° 45' 00.00" S until intercepting the Meridian 12º 05' 00.00" E, is the **Point 6** with the coordinates: Latitude 9º 45' 00.00" S and Longitude 12º 05' 00.00" E. From this point towards North direction along the Meridian 12º 05' 00.00" E until intercepting the Parallel 9° 40' 00.00" S, is the **Point 7** with the coordinates: Latitude 9° 40' 00.00" S and Longitude 12º 05' 00.00" E. From this point towards West direction along the Parallel 9° 40' 00.00" S until intercepting the Meridian 12º 00' 00.00" E, is the **Point 8** with the coordinates: Latitude 9° 40' 00.00" S and Longitude 12º 00' 00.00" E. From this point towards North direction along the Meridian 12º 00' 00.00" E until intercepting the Parallel 9° 20' 00.00" S, is the **Point 9** with the coordinates: Latitude 9° 20' 00.00" S and Longitude 12º 00' 00.00" E. From this point towards East direction along the Parallel 9° 20' 00.00" S until intercepting the Meridian 12º 05' 00.00" E, is the **Point 10** with the

EXHIBIT 14

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Prospectus Supplement
(To Prospectus dated January 4, 2011)

52,000,000 Shares

Cobalt International Energy, Inc.

Common Stock

We are offering 15,700,000 shares of our common stock, par value $0.01 per share. The selling stockholders identified in this prospectus supplement are offering an additional 36,300,000 shares of common stock. We will not receive any of the proceeds from the sale of the shares being sold by the selling stockholders.

Our common stock is listed on The New York Stock Exchange under the symbol "CIE". On February 23, 2012, the last reported sale price of our common stock on The New York Stock Exchange was $29.09 per share.

Investing in our common stock involves certain risks. See "Risk Factors" on page 5 of the accompanying prospectus.

	Per Share	Total
Public offering price	$28.00	$1,456,000,000
Underwriting discounts and commissions	$ 0.84	$43,680,000
Proceeds, before expenses, to us	$27.16	$426,412,000
Proceeds, before expenses, to the selling stockholders	$27.16	$985,908,000

We and certain of the selling stockholders have granted the underwriters an option to purchase up to 7,800,000 additional shares of common stock to cover over-allotments, if any, at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or the accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

Delivery of the shares of our common stock will be made on or about February 29, 2012.

Goldman, Sachs & Co. **Morgan Stanley** **Credit Suisse**

Citigroup **J.P. Morgan**

Tudor, Pickering, Holt & Co. **Deutsche Bank Securities** **RBC Capital Markets** **UBS Investment Bank**

Howard Weil Incorporated **Stifel Nicolaus Weisel** **Capital One Southcoast**

The date of this prospectus supplement is February 23, 2012

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immediately sidetrack the well to determine the down-dip extent of the field and also plans to initiate pre-FEED (front-end engineering and design) activities to prepare for sanctioning and a development project. We have a 9.375% working interest in the Heidelberg prospect.

Our Competitive Strengths

Key Discoveries in U.S. Gulf of Mexico and West Africa

We have been successful in our exploration efforts in each of our focus areas. In West Africa, we recently announced the significant Cameia pre-salt oil discovery. Plans are underway to immediately drill the Cameia #2 appraisal well to accelerate our planned phased approach for developing this discovery. In the U.S. Gulf of Mexico, we have participated in oil discoveries in both the Miocene and Inboard Lower Tertiary through our interests in both the Heidelberg #1 and Shenandoah #1 exploratory wells. We have participated in drilling the Heidelberg #3 appraisal well and will participate in the Shenandoah #2 appraisal well. We believe that these discoveries significantly de-risk and balance our asset portfolio.

Pure-play, high-potential, deepwater portfolio

Offshore Angola and Gabon. Offshore Angola and Gabon are characterized by the presence of salt formations and oil-bearing sediments located in post-salt and pre-salt horizons, which we believe will be geologically analogous to large, multi-million barrel discoveries offshore Brazil. We have exploration, development and production licenses on Blocks 9, 20 and 21 offshore Angola and on the Diaba block offshore Gabon, comprising approximately 5.6 million gross acres, equivalent to approximately 1,000 blocks in the deepwater U.S. Gulf of Mexico, and 1.8 million acres net to our working interest.

Deepwater U.S. Gulf of Mexico. Although deepwater has been the focus for major oil companies since the 1980s, due to a step change in technology for imaging and drilling prospects below salt, the industry has transitioned focus from above salt to below salt plays. Our data-intensive approach to prospect analysis, coupled with the expertise of our technical team, allowed us to capture a significant portion of the most competitively sought after leases in the 2007 and 2008 Central and Western Gulf of Mexico Lease Sales. Of the 200 blocks we acquired in these lease sales, 24 attracted four or more bids. No other company acquired more blocks with four or more bids in these lease sales. Historical information of lease sales conducted by the U.S. Bureau of Ocean Energy Management, Regulation and Enforcement suggests that more competitively bid deepwater U.S. Gulf of Mexico lease blocks have significantly higher drilling success rates. As of December 31, 2011, our leasehold position in the U.S. Gulf of Mexico is comprised of interests in 231 deepwater blocks.

Oil-focused, high margin inventory with near-term catalytic events

We believe our oil-focused prospects, if proved to contain commercial hydrocarbons, will create significant shareholder value because of high operating margins resulting from strong oil price fundamentals and the economies of scale typical of large offshore oil field developments. We have several near term high impact exploratory and appraisal wells to be drilled over the next 12 to 18 months. Among these are several large, oil-focused high impact wells in the deepwater U.S. Gulf of Mexico, including our North Platte, Shenandoah, Rum Ramsey, Ardennes, and Aegean prospects, and in the deepwater offshore Angola, including our Bicuar, North Cameia (which is a pre-salt prospect high-graded by further reprocessing of our Block 21 seismic data), Lontra and Loengo pre-salt prospects, and in the deepwater offshore Gabon, including our Mango and Mango South pre-salt prospects.

EXHIBIT 15

FORM 4

☐ Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Expires:	December 31, 2014
Estimated average burden hours per response	0.5

1. Name and Address of Reporting Person*	2. Issuer Name **and** Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer
Bryant Joseph H	Cobalt International Energy, Inc. [CIE]	(Check all applicable)
(Last) (First) (Middle)	3. Date of Earliest Transaction (Month/Day/Year)	X Director; 10% Owner
C/O TWO POST OAK CENTRAL, 1980 POST OAK BOULEVARD, SUITE 1200	02/29/2012	X Officer (give title below); Other (specify below)
(Street)		Chair. of the Board Dir. & CEO
HOUSTON TX 77056	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line)
(City) (State) (Zip)		X Form filed by One Reporting Person; Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned										
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	02/29/2012		S(1)		862,500	D	$ 28 (2)	4,162,421	D	
Common Stock								506,152	I	See footnote. (3)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				

Explanation of Responses:

1. Sale of shares in a registered underwritten secondary offering.

2. The reported price is the price to the public in the secondary offering before underwriting discounts, fees and expenses.

3. These shares of Common Stock are directly owned by the Bryant 2007 Descendants' Trust for the benefit of the reporting person's children. The reporting person disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.

/s/ Jeffrey A. Starzec, Attorney-in-Fact	03/02/2012
** Signature of Reporting Person	Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

EXHIBIT 16

FINANCIAL TIMES

April 15, 2012 10:04 pm

Angola officials held hidden oil stakes

By Tom Burgis and Cynthia O'Murchu in London

Share Author alerts Print Clip Comments

Three of the most powerful officials in Angola have held concealed interests in an oil venture with Cobalt International Energy, the Goldman Sachs-backed explorer whose operations in one of the world's most promising energy frontiers are under investigation by US authorities, the Financial Times has learned.

The recently departed head of the national oil company and an influential general confirmed to the FT last week that they and another general have held shares in Nazaki Oil and Gáz, the local partner in a Cobalt-led deepwater venture launched in early 2010.

Warning its shareholders that it might face liabilities under US anti-corruption laws, Houston-based Cobalt said in February that the Securities and Exchange Commission and the Department of Justice were investigating its Angolan operations.

The three men's previously opaque shareholdings in Cobalt's local partner could raise questions about compliance with US anti-corruption law, which makes it a crime to pay or offer anything of value to foreign officials to win business.

Manuel Vicente, who was the head of state-owned Sonangol until his appointment in January as minister of state for economic co-ordination, and General Manuel Hélder Vieira Dias Júnior, known as Kopelipa, the head of the presidency's military bureau, confirmed their holdings in Nazaki in near-identical letters.

As head of Sonangol, Mr Vicente oversaw Africa's second-biggest oil industry. Asked whether they had exerted any influence over the award of Cobalt's oil rights, Mr Vicente and Gen Kopelipa denied wrongdoing. They said they had held their Nazaki interests "always respecting all Angolan legislation applicable to such activities, not having committed any crime of abuse of power and/or trafficking of influence to obtain illicit shareholder advantages".

They said their interests and those of General Leopoldino Fragoso do Nascimento were held through Grupo Aquattro Internacional. Aquattro is named as a Nazaki shareholder in two company documents from 2007 and 2010 obtained by the FT. They said Aquattro had been “recently dissolved” but did not say whether they had disposed of their interests in Nazaki.

Gen Fragoso do Nascimento, a former head of communications in the presidency, did not respond to requests for comment.

Mr Vicente and Gen Kopelipa added: “Should the continued operation of Cobalt in the Angolan petroleum sector be unviable as a result of any failure to comply with any American law, there will certainly be [Angolan] and/or foreign entities interested in substituting for it in the assets it owns in Angola.” Gen Kopelipa added that “that hopefully will not happen”.

Responding to FT inquiries about the three officials, Cobalt stressed that its “extensive and ongoing” due diligence “has not found any credible support for [the] central allegation that Angolan government officials, and specifically the officials identified ... have any ownership in Nazaki”. It would be happy to review any proof.

“Cobalt has at all times complied fully with both US and Angolan laws,” it said. Nazaki, which did not respond to a request for comment, denied the allegation, Cobalt said.

Goldman, one of Cobalt’s founding investors and its biggest shareholder, declined to comment, as did the SEC and DoJ. Sonangol did not respond to requests for comment.

RELATED TOPICS United States of America, Oil, Goldman Sachs Group Inc

EXHIBIT 17

FINANCIAL TIMES

April 15, 2012 10:04 pm

Spotlight falls on Cobalt's Angola partner

By Tom Burgis and Cynthia O'Murchu in London

In July 2008 Cobalt International Energy was closing in on rights to drill for oil deep under a stretch of Angolan seabed that is regarded as one of the world's richest untapped reservoirs of crude.

For Cobalt the negotiations offered an entrance to Africa's second-biggest oil industry. Tens of billions of dollars of investment from Chevron and ExxonMobil of the US, France's Total, the UK's BP and others have turned the war-scarred southern African nation into the second-largest supplier to China and the eighth-biggest to the US.

According to the company's regulatory filings, the government stipulated that it would have to take an obscure local company, Nazaki Oil & Gáz, as a partner. Today the question of who owns Nazaki looms large over the fate of the Houston-based group, which is part-owned by Goldman Sachs, the US investment bank, and Riverstone, the US private equity group.

Three of the most powerful figures in the Angolan regime have held interests in Nazaki, the Financial Times has found. One of them, Manuel Vicente, headed Sonangol for 12 years until his appointment as minister of state for economic co-ordination in January. The state-owned company oversees the 1.7m-barrel a day oil industry.

Sonangol, which has minority interests in Cobalt's projects and those of other foreign energy groups, did not respond to requests for comment.

Having masterminded the expansion of Sonangol into one of Africa's richest companies, Mr Vicente is seen as a potential successor to José Eduardo Dos Santos, Angola's president since 1979.

Mr Vicente and Manuel Hélder Vieira Dias Júnior, head of the military bureau in the presidency and known as General Kopelipa, confirmed to the FT last week that they had held shares in Nazaki. They

said Leopoldino Fragoso do Nascimento, known as General Dino, a former head of communications in the presidency, held shares too. He did not respond to requests for comment.

Officials' interests in Cobalt's local partner could raise questions about compliance with US anti-corruption laws, which make it a crime to pay or offer anything of value to foreign officials to win business.

Most Angolans live in poverty but analysts have highlighted private fortunes made by the country's political elite, which forms an authoritarian regime that Paula Roque, an authority on Angola at Oxford university, calls a "shadow government controlled and manipulated by the presidency, with Sonangol as its chief economic motor".

Asked by the FT whether the three men had interests in Nazaki, Cobalt said it had looked into such claims and "not found any credible support" for them. The company was unaware of any official's interest in Nazaki, it said. "Cobalt has a robust anti-corruption compliance programme that includes processes for conducting due diligence on its partners."

The New York-listed group said it had retained two US law firms, Vinson & Elkins and O'Melveny & Myers, since 2007 to advise on complying with anti-corruption laws with respect to its Angolan ventures. Both law firms have previously declined to comment.

Mr Vicente and Gen Kopelipa denied that their interests in Nazaki constituted an "abuse of power" or wrongdoing. Cobalt said Nazaki was "a fully paying member of the contractor group", unlike the other partners in the venture, a little-known Angolan company called Alper Oil and Sonangol, which do not contribute to development costs.

Cobalt and the officials said Nazaki had paid its share of a $10m "signature bonus" to Sonangol. Like Cobalt, the local group would earn revenues once the venture went into production.

In a regulatory filing a year ago Cobalt said it had been made aware of allegations of "a connection between senior Angolan government officials and Nazaki". In November the US Securities and Exchange Commission and Department of Justice launched an investigation, with which Cobalt said it was co-operating. Both US agencies declined to comment.

Cobalt's Angolan venture has paid off spectacularly. Led by Joseph Bryant, ex-head of BP's Angola operations, the company has built a portfolio that includes prospects in the Gulf of Mexico. But it was February's drilling results from Angola that grabbed the attention of the oil world. Mr Bryant called the find, which drew comparisons with prodigious discoveries off Brazil's coast, an "extraordinary success". Cobalt's shares jumped 38 per cent on the day of the news and its market capitalisation is $11.1bn.

Cobalt was founded in 2005 with an initial $500m investment by Goldman Sachs and Riverstone, which lists former BP boss Lord Browne as a partner. They retain holdings of 18 per cent and 15 per cent respectively and two seats each on the board. Both declined to comment.

With crude prices well above $100 a barrel, African oil producers have witnessed a surge of interest from energy groups.

Campaigners and graft investigators warn that African "local content" policies have added to the potential for corruption. Diarmid O'Sullivan of Global Witness, a London-based anti-graft group, said: "The risk is that local content policies, which are meant to spread the economic benefits of natural resources more widely, could be abused to channel assets into the hands of the same cliques of corrupt officials whose misrule is holding back their own countries."

Mr Vicente and Gen Kopelipa said they and Gen Dino held their interests in Nazaki through Aquattro Internacional. The three men's names do not appear among the five shareholders in Nazaki listed in two company registration documents obtained by the FT, dating from 2007 and 2010. Aquattro's does, although a 2007 listing for Aquattro itself in the official gazette does not name its shareholders.

The officials said Aquattro had been "recently dissolved". They did not say whether they had disposed of their interests in Nazaki.

In January Rafael Marques de Morais, an Angolan anti-corruption activist, published a complaint to the attorney-general alleging corruption in the Nazaki case – claims that Mr Vicente, Gen Kopelipa and Cobalt said were inaccurate.

Mr de Morais said the officials "ought to be investigated for evidence of having committed crimes of illicit enrichment". Mr Vicente and Gen Kopelipa said they did not hold any executive role in Nazaki and that their holdings broke no Angolan laws.

The FT found a further connection between Nazaki and the three officials through José Domingos Manuel, who is named in a company document as Nazaki's manager. Mr Manuel is also among the seven shareholders named in an April 2008 corporate gazette announcement for Sociedade de Hidrocarbonetos de Angola, a small Angolan oil company, alongside Mr Vicente, Gen Kopelipa and Gen Dino. Described by a person close to the regime as a former intelligence agent, Mr Manuel could not be reached for comment. SHA did not respond to a request for comment.

RELATED TOPICS United States of America, Oil, Private equity, Goldman Sachs Group Inc

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EXHIBIT 18

Cobalt International Energy

PRESS RELEASES

Cobalt International Energy, Inc. Responds to Financial Times Articles

HOUSTON, Apr 16, 2012 (BUSINESS WIRE) --Cobalt International Energy, Inc. ("Cobalt") (NYSE: CIE) today, in responding to two articles published by the Financial Times on April 15, 2012, titled "Angola officials held hidden oil stakes" and "Spotlight falls on Cobalt’s Angola partner," strongly refuted any allegations of wrong doing and once again stood behind its principles of full compliance with all laws in all jurisdictions in which it operates.

Prior to publication of these articles, Cobalt went on the record asking for any documentation that the Financial Times could offer which was at odds with its position. The Financial Times declined Cobalt’s repeated requests for supporting documentation. In fact, in the course of these communications, Cobalt informed the Financial Times of certain egregious, demonstrably false allegations that it provided to Cobalt.

Cobalt began its investigation into its Angola business relationships in 2007. Cobalt has based its decisions and actions on the results of these extensive investigations and will continue to maintain rigorous due diligence in all of its worldwide activities. Cobalt remains confident that it has not violated any US or Angolan Law and will vigorously defend its reputation and legal rights in this matter.

About Cobalt

Cobalt is an independent oil exploration and production company focusing on the deepwater U.S. Gulf of Mexico and offshore Angola and Gabon. Cobalt was formed in 2005 and is headquartered in Houston, Texas.

Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of the safe harbor provisions of the Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 -- that is, statements related to future, not past, events. Forward-looking statements are based on current expectations and include any statement that does not directly relate to a current or historical fact. In this context, forward-looking statements often address Cobalt’s expected future business and financial performance, and often contain words such as "anticipate," "believe," "intend," "expect," "plan," "will" or other similar words. These forward-looking statements involve certain risks and uncertainties that ultimately may not prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. For further discussion of risks and

uncertainties, individuals should refer to Cobalt's SEC filings. Cobalt undertakes no obligation and does not intend to update these forward-looking statements to reflect events or circumstances occurring after this press release, other than as required by law. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. All forward-looking statements are qualified in their entirety by this cautionary statement.

SOURCE: Cobalt International Energy, Inc.

Cobalt International Energy, Inc.
Investor Relations:
Richard A. Smith
Vice President, Investor Relations and Planning
+1 (713) 452-2322
or
Media Relations:
Lynne L. Hackedorn
Vice President, Government and Public Affairs
+1 (713) 579-9115

EXHIBIT 19

THOMSON REUTERS STREETEVENTS

EDITED TRANSCRIPT

CIE - Q1 2012 Cobalt International Energy, Inc. Earnings Conference Call

EVENT DATE/TIME: MAY 01, 2012 / 3:00PM GMT

THOMSON REUTERS

CORPORATE PARTICIPANTS

Joe Bryant *Cobalt International Energy Inc - Chairman, CEO*

John Wilkirson *Cobalt International Energy Inc - CFO*

Jim Farnsworth *Cobalt International Energy Inc - Chief Exploration Officer*

CONFERENCE CALL PARTICIPANTS

Evan Cailo *Morgan Stanley - Analyst*

Ryan Todd *Deutsche Bank - Analyst*

Brian Singer *Goldman Sachs - Analyst*

Brad Pattarozzi *Tudor, Pickering, Holt & Co. - Analyst*

Mike Scialla *Stifel Nicholaus - Analyst*

Jed Bachman *Howard Weil - Analyst*

Al Stanton *RBC Capital Markets - Analyst*

PRESENTATION

Operator

Good day, everyone and welcome to Cobalt International Energy's first quarter 2012 conference call. Before we get started, one house keeping matter.

This conference call includes forward-looking statements, the risks associated with forward looking statements have been outlined in the earnings release and in Cobalt's SEC filings and we incorporate these by reference for this call. At this time for opening remarks and introduction, I would like to turn the call over to the Chairman and CEO of Cobalt, Mr. Joe Bryant. Please go ahead, sir.

Joe Bryant - *Cobalt International Energy Inc - Chairman, CEO*

Good morning. And thank you for joining us on Cobalt's first quarter 2012 Earning and Operational update cal. I'm joined on today's call by John Wilkirson, our Chief Financial Officer, and Jim Farnsworth, our Chief Exploration Officer. I would like to make a few brief comments before I turn the call over to John for a review of our financial results. During the first quarter, we concentrated on five critical areas that we believed would deliver shareholder value.

These include performing a drill stem test on our command No. 1 exploratory well, participating in the drilling of wells in both of our key deep water geographic basins, continuing our technical evaluation and maturation of additional pre-salt activity in blocks 9, 20, and 21 in Angola Diaba and Gabon and four continuing our efforts to timely obtain regulatory approvals of our exploration plans and permits required to drill our Gulf of Mexico prospect inventory in five initiating and completing a successful follow on stock offering which would provide Cobalt with an even stronger balance sheet.

I'm happy to report that we've accomplished a great deal in these five critical areas and we'll start off discussing our successes in West Africa. In early February, Cobalt obtained the drill stem test results from our command No. 1 exploratory well in the deep water off Angola and announced that the results were extraordinary and had exceeded Cobalt's expectations. The GFC confirmed the presence of a very thick high quality reservoir saturated with light oil.

Following the exceptional success of the command No. 1 exploratory well, Cobalt immediately commenced drilling of the command No. 2 appraisal well in order to further assess of size and content of the Cameia oil discovery. In addition, the Cameia No. 2 well will test objectives deeper than those drilled in the command No. 1 well. We expect to announce the results of this appraisal well later in the second quarter of this year.

Our 3D seismic acquisition and processing efforts off-shore West Africa continuing to very well. Last year Cobalt and our block 20 partners executed an agreement with our seismic contractor to acquire and process approximately 4200 square kilometers of 3D seismic data on block 20. It is now over a little over six month since our seismic contractor started shooting this survey and the data acquisition is expected to be completed this week.

The processing of this data has already commenced. These efforts should allow us to remain on schedule to drill the much-anticipated prospect in block 20 in 2013. In block 9, we completed our 3D seismic processing efforts in March. Most significantly, the data quality is exceeding our pre acquisition expectations.

We have begun prospect maturation efforts and preliminary well planning and we are currently targeting the drilling of the first block 9 pre-salt exploration well on the Luongo prospect also in 2013. In block 21, we're Cameia is located, we're finalizing our block wide 3D seismic processing efforts and expect in work to be fully complete and in our geologist's hands by the end of May.

This reprocessed data will be utilized to further mature additional prospects we see on block 21. We have firmed up our near term drilling plans for off-shore Angola. Today we're able to announce that we have contracted the Ocean Confidence drilling rig for one additional slot and an attractive day rate.

After the Cameia appraisal drilling and testing operations are complete, we will release the Ocean Confidence to another priority who will drill one lease maintaining well outside of Angola. As soon as that well is complete, which we expect will be late in the third quarter or in the fourth quarter of 2012, the rig will be returned to us and we will use our one remaining slot plus the one additional slot to drill two consecutive pre-salt wells off-shore Angola, mostly chosen from Bicuar and North Cameia block 21 and Luongo in block 9.

While securing the Ocean Confidence addresses our near term plans, we're also currently tendering for a long-term rig solution to support our Angola and exploration and development drilling program. In addition, we're in the process of tendering for long lead items for this drilling program.

With regard to the Diaba block in Gabon, the final processing of the 6,000 square kilometer 3D seismic acquisition was completed at the end of last year. Totale as operator is performing detailed seismic reprocessing over the most promising prospects on the block and expects them to work completed in June. They have contracted the drilling rig with a target to start the first Diaba exploratory pre-salt well on either Mango or Mango South in early 2013.

In the deep water Gulf of Mexico, Cobalt participated in the Anadarko Heidelberg No. 3 appraisal well and announced that the well had encountered approximately 250 net feet of oil pay in the high quality Miocene sands. Following the success of the Heidleberg No. 3 well, Cobalt participated in the Heidelberg sidetrack which successfully proved up an extension of up to 1500 acres in the 3500 acre Heidleberg field.

An Andarko operator announced the result's of it's sidetrack solidified the field's estimated resource range and provided support for the option of a stand-alone development. The Heidleberg partnerships has initiated prefeed which is front end engineering and design or to evaluate development solutions with the objective advancing commercialization of Heidelberg.

Also in the deep water Gulf of Mexico we commenced our first post Macondo Cobalt operated well soon after the Insco 8503 drilling rig returned to the Gulf of Mexico from French Guiana. On January 1, 2012 we spud Ligurian exploratory well on Green Canyon block 814. The Ligurian No. 2 well was designed to test the northwest plank of the field discovered by Heidleberg No. 1 and to develop deeper Miocene formations.

As of April 30, 2012, we had drilled through the interval discovered by the Heidelberg No. 1 well but did not encounter commercial hydro carbons. Our drilling operations continue on the Ligurian 2 as we have yet to penetrate our deeper Miocene objectives. We anticipate announcing the results of the deeper Miocene test in Ligurian in May.

Cobalts team has worked tirelessly to prepare and submit applications for the exploration plans and permits necessary to drill our wells in the Gulf of Mexico. While this process has been challenging and extremely time-consuming, we're happy to report that during the first quarter of 2012, we received approvals for both of our north drilling permit and our GM exploration plan.

We're now seeking approval of the Agean No. 1 drilling permit as well as the (inaudible) plan in order to ensure that we have all approvals necessary to move the Insco 8503 rig from one well operation to the next with no costly rig standby time. After the completion of drilling activities on the Ligurian No. 2, we will immediately move the Insco 8503 to our north plant No. 1 exploratory well.

In addition, to the Cobalt operated drilling activity that I've discussed, we also look forward to participating in the an Anadarko Operated Shenandoah No. 2 (inaudible) well which we expect will commence early in the third quarter. As you know, we launched our offering on February 21 and closed the transaction on February 29. We have raised an additional $490 million net of expenses in the offering.

I want to thank all of the shareholders who participated in this offering, including those of you who are new share holds of our Company. This successful offering ensures that we're fully capitalized to execute our planned exploration and appraisal drilling program through the end of 2013. We are well positioned in both west Africa and the Gulf of Mexico where we will continue to drill our high potential exploratory prospects and where appraisal operations are proceeding with the expectation that appraisal results will advance or efforts to move these discovered fields to production.

Finally, I would like to briefly discuss certain media articles in Cobalt's commitment to transparency. As I'm sure many of you are aware, Cobalt was named in a series of financial times articles about potential foreign corrupt practice issues in Angola. In particular it was alleged that certain Government Officials held concealed interests in (induadible) who is our partner in blocks 9 and 21 in Angola.

Transparency is a primary focus at Cobalt and frankly we cannot operate without it. We have spent significant human and financial resources to ensure that the appropriate compliance was undertaken as relates to the contracts and agreements we have in place with our Angola partners. Our compliance efforts began in 2007.

Long before we began operations in Angola, and long before these articles and allegations surfaced. From the beginning, our compliance efforts have been led by two highly respected international law firms. Our Board of Directors routinely discusses compliance matters and hears directly from our law firms. We are confident of this process and that we have done everything we can do.

In addition, we've worked closely with the US Security and Exchange Commission and the Department of Justice in responding to their inquiries to be sure that we adhere to the appropriate regulations. Our compliance efforts never end, and we intend to continue our efforts in this same vein. With regard to in a Nasaki, they were assigned the block 9 and 21 contractor groups by the concessionaire's group Senegal.

In the same fashion for example as BP was assigned to the block 20 contractor group and Nasaki was selected by Senegal well after Cobalt was assigned these blocks. I wish to clearly state that we did not select Nasaki and they are a full paying member of the contractor group. Our commitment to Angola is a long-term one.

We are proud of what we have achieved there and look forward to continuing operations that always comply with both US and Angolan law in a transparent fashion and to provide the basis for many future years of success in Angola for our Company and for the people of Angola. I will now turn the call over to John for a few words on our financial results. John?

John Wilkirson - *Cobalt International Energy Inc - CFO*

Thanks, Joe. As reported in this morning's release, the first quarter of 2012 Cobalt's net loss was $37 million or $0.09 per basic and diluted share. Our cash expenditures excluding working capital changes for the quarter were $236 million which includes $123 million for the year 1 block 20 social bonus payment.

Our balance sheet remains strong. Now with over $1.8 billion including the net proceeds from our February equity offering. At the end of March, we had about $1.3 billion of unrestricted cash investments, plus about $550 million of funds designated for future operations that are held in escrow in collateralized letters of credit.

In addition, not reported in our balance sheet, is the drilling promote funds for our Gulf of Mexico program with Totale of $172 million. We continue to have no debt. For the full year, our cash expenditures forecast excluding working capital changes remains unchanged at $550 to $650 million. Our estimate for the second quarter cash expenditures is $100 to $120 million with the primary expenditures being drilling activities both off-shore Angola and in the Gulf of Mexico.

We expect our full year 2012 earnings to align with our cash expenditures excluding the block 20 first year social bonus contributions that was capitalized. The remaining cash expenditures, the primary earnings uncertainty will be the capitalization or expensing of costs following the results of individual exploration wells.

In addition, we anticipate having approximately $25 to $30 million of non-cash items spread evenly throughout the year. I will now turn the call back to Joe.

Joe Bryant - *Cobalt International Energy Inc - Chairman, CEO*

Thanks, John for those comments. John and I and Jim Farnsworth now look forward to any questions that you may have. Operator?

QUESTIONS AND ANSWERS

Jim Farnsworth - *Cobalt International Energy Inc - Chief Exploration Officer*

We'll now be conducting a Q&A session. (Operator Instructions). One moment please while we poll for questions.

Operator

Our first question is from the line of Evan Cailo with Morgan Stanley?

Evan Cailo - *Morgan Stanley - Analyst*

On the ocean conference, I understand you get a second slot on the rig and have to give it up to another operator after Cameia appraisal for 120 days and I also heard you comment on potentially bringing a second rig in west Africa. I know you clearly have a lot of potential activity and if you could update us on when you're looking to based on your negotiations take delivery of that second rig in west Africa.

Joe Bryant - *Cobalt International Energy Inc - Chairman, CEO*

Thanks, Evan. This is Joe. First of all on the Ocean Confidence, the situation there was as you all know, we had the rig for four slots.

It became apparent, however, that the rig was essentially double booked and the operator that also had the Ocean Confidence was facing a lease exploration up the coast in west Africa. Therefore the dilemma arose, do we give the rig up or do they lose their lease?

And what we did was we negotiated what we think is a favorable rate on an incremental slot where the Ocean Confidence and exchange for turning the rig loose for a few months. We of course did not want to turn the rig loose.

We've got a loss of prospects to drill but we think overall it was a win-win solution and one that is best for Cobalt to get that extra slot with the Ocean Confidence. Regarding a long-term rig solution for Angola, again you're all aware of the numerous slots that we need over the next several years, both for exploration and development.

We're currently out right now, those bids are going to come back here in probably some time in May. We'll discuss them with our partners and the concessionaire. We're looking for a multi-year contract from those rigs. The rig market is getting pretty tight and I think getting a rig in the first half of 2013 is less and less likely based on how tight the market is getting.

Therefore, again, that's why it made sense to do the deal with the Ocean Confidence to get it tied up until we have much higher degree of confidence that when it sails away, we can bring in the new long-term rig for Angola. So hopefully on the second quarter call, I'm tell you what we did on that. But that's as much info as I have today and that I can share with you. Did that answer your question?

Evan Cailo - *Morgan Stanley - Analyst*

Thank you very much. So with the two slots post Cameia after the rig comes back, potentially the second rig, could you run me through the location sequencing? I know you mentioned (inaudible) block 9. Is that path dependent on Cameia 2 or potentially heading north is that how you see it now? And then in addition, I guess what you're saying Longtra is 2013, you're thinking Lontra is a spud date in 2H 2013, is that fair?

Joe Bryant - *Cobalt International Energy Inc - Chairman, CEO*

I will certainly say Lontra is probably not 1Q 2013 but after 1Q, I don't know if we can get it spud in 2Q or 3Q. Rest assured it is absolutely at the top of our list to drill second base we can get our partners ready to drill as well. Of course everyone wants to drill the well. With respect to what we're going to drill next, we have the luxury of having a lot of options.

And as I sit here today, I think there's several options for what we do with the Ocean Confidence when it gets back to us in the late third quarter, early fourth quarter. One of which is Bicuar, another is Luongo in block nine in and another is the Cameia well and all four of those prospects as we sit here today are in the bullseye.

But as we mentioned in my opening comments, we're doing a lot of seismic and geophysical processing right now which will inform the decision of which wells we drill next and which ones come after that. Again this is why we have a pretty deep and robust portfolio so we're faced with making choices on which well has the most to offer our overall exploration program in the sense that it can give us the most information about Angola pre-salt.

Evan Cailo - *Morgan Stanley - Analyst*

That's helpful. One last question if I could and leave it to somebody else. Maybe I missed any update on Gabon exploration even with third party activity or on the spud date, I know Totale is the operator there. I would appreciate it, thanks.

Joe Bryant - *Cobalt International Energy Inc - Chairman, CEO*

I don't think there's really much to offer from an industry standpoint. I I think our intelligence would be that we, we being we and total will drill the first pre-salt well in deep water, Gabon as soon as that is scheduled into the pre schedule. That's our best data. I don't think there's anything I can add to that.

Evan Cailo - *Morgan Stanley - Analyst*

Understood. Thanks, guys.

Joe Bryant - *Cobalt International Energy Inc - Chairman, CEO*

Thanks, Evan.

Operator

Thank you. Our next question is from the line of Ryan Todd of Deutsche Bank.

Ryan Todd - *Deutsche Bank - Analyst*

Thanks, guys. I just wanted to follow up on Ligurian 2. Can you talk about based on what you've seen, I realize it's early and you're still drilling the deeper target, when you look for Ligurian in the Heidelberg structure there, what do you think that well means for the go-forward plan as a whole and in terms of the deeper target that you're looking at, how that might, how that might be related to other kind of successful deeper targets that you've seen, that other operators have seen in the basin?

Jim Farnsworth - *Cobalt International Energy Inc - Chief Exploration Officer*

Ryan with this is Jim Farnsworth, I'll try to take that question. We still have a deeper target to test. Pre drill certainly we saw the upper target as being kind of the lower risk the two simply because at Heidelberg, offsetting a few miles to the southeast we have in fact discovered the upper Miocene sand.

In terms of how we define the limits of Heidelberg versus the limits of Ligurian, that's going to take some time and, you know, certainly integrating the well data, especially the deeper well data into our existing data set. And frankly likely trying to either reprocess or getting a different data set to help us better define the trapped-size and scale.

In terms of what it means for other prospects which I think was the second part of your question, I think this is pretty much an isolated stand alone prospect. It has no impact good or bad on other opportunities. We have seen the deeper sand in other nearby fields adjacent to Ligurian which is why of course we are targeting the lower sand.

Ryan Todd - *Deutsche Bank - Analyst*

And is it Tahiti that's one of those successful deeper targets in the nearby region?

Jim Farnsworth - *Cobalt International Energy Inc - Chief Exploration Officer*

Yes, it is.

Ryan Todd - *Deutsche Bank - Analyst*

Okay. Great, then. So we should expect to hear I would assume sometime later this month the rig will move to North Platte, is that correct?

Jim Farnsworth - *Cobalt International Energy Inc - Chief Exploration Officer*

That's correct.

Ryan Todd - *Deutsche Bank - Analyst*

That's all for me. I appreciate it.

Jim Farnsworth - *Cobalt International Energy Inc - Chief Exploration Officer*

Thanks, Ryan.

Operator

Thank you. (Operator Instructions).

Brian Singer - *Goldman Sachs - Analyst*

Thank you. Our next question is from the line of Brian Singer from Goldman Sachs. Please proceed with your question. Thanks, good morning.

Joe Bryant - *Cobalt International Energy Inc - Chairman, CEO*

Good morning, Brian.

Brian Singer - *Goldman Sachs - Analyst*

In west Africa, can you give us a update on any additional learnings based on any of the data you've processed either on the discovery at Cameia or any other seismic or other data that you've posted since your last update.

Jim Farnsworth - *Cobalt International Energy Inc - Chief Exploration Officer*

Yeah, Brian, this is Jim again. I'll try to take that. To be honest with you, Cameia No. 2 well is really going to tell us a lot and we aren't yet in a position where we have all the data from that well. But in addition to that, we've also of course been going back and looking at the entire portfolio across block 21 especially.

And further maturing prospects and trying to integrate the results of Cameia 1 into those prospects. That's exactly the process Joe was mentioning earlier about looking at five or six different opportunities and again reprioritizing and make sure the next two wells we drill tell us as much as possible about both the pre-salt play but also tests sizable volumes in both those wells. I think, you know, in another few months after Cameia 2 is down, we'll be able to have a better conversation about what it is we've learned and what it means to the portfolio..

Brian Singer - *Goldman Sachs - Analyst*

Great, thanks and there anything that you've seen from other industry data that has given you more confidence in the area around the prospects or any other prospects on this block?

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Jim Farnsworth - *Cobalt International Energy Inc - Chief Exploration Officer*

There really isn't any other industry activity, very close to us with the exception in block 26 where Petro boss is drilling a pre-salt well. But again we have no knowledge of what they've found or not found yet. We don't have anything really to work with yet. Most of the data that's going to be gather the over the next couple of years is going to be gathered by Cobalt.

Brian Singer - *Goldman Sachs - Analyst*

Great, thank you.

Operator

Our next question is from the line of Brad Pattarozzi from Tudor, Pickering, Holt & Co.

Brad Pattarozzi - *Tudor, Pickering, Holt & Co. - Analyst*

Good morning, guys. Could you tell me what the current

Joe Bryant - *Cobalt International Energy Inc - Chairman, CEO*

I'm sorry, I missed that.

Brad Pattarozzi - *Tudor, Pickering, Holt & Co. - Analyst*

The current depth of command 2?

Joe Bryant - *Cobalt International Energy Inc - Chairman, CEO*

Current depth. We're not sharing that data, current depth. We're currently drilling as planned and what we've always said it we'll share the results as soon as we get them and I think our track record is proof of that. So as soon as we have something to share, we'll share it. But as I've always said, we'll share it in the second quarter and things are going according to plan and I hope to be able to do that.

Brad Pattarozzi - *Tudor, Pickering, Holt & Co. - Analyst*

Okay. Could you talk a little bit more about what you're trying to determine testing of deeper pre-salt potential compared to what you saw with Cameia 1, what are you looking for? What are you hoping to gain in relation or that would be different from Cameia 1?

Joe Bryant - *Cobalt International Energy Inc - Chairman, CEO*

Yeah, this is Joe. I'll take a stab at that. So when we drill Cameia 1, we actually had two separate reservoirs targeted in that well. One was what we called the mound and 2 was the deeper target.

And because of the quantity of pay that we found in what we call the mound, we never got to that deeper target. So Cameia 2 is trying to do two things. One, it will test the lateral extent of the mound discovery that we made and will be the first penetration into the deeper zones in that basin really.

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Brad Pattarozzi - *Tudor, Pickering, Holt & Co. - Analyst*

Okay. And if Cameia 2 you've talked with Cameia 3 going on from there. What would be the goals going forward, just further extent or what would be the full process?

Joe Bryant - *Cobalt International Energy Inc - Chairman, CEO*

Well, again if you look at the size of Cameia, aerially it's a very, very large prospect and so for a prospect of that size, if we continue to have success in Cameia 2, it would be natural that we would drill additional appraisal wells to again delineate the structure in multiple directions to understand the overall size of the accumulation. So when we do that, we're trying to really do two things. One, understand the aerial extent of the oil accumulation and 2, we're trying to understand the quality of the pay or the pay distribution throughout the field.

Brad Pattarozzi - *Tudor, Pickering, Holt & Co. - Analyst*

Okay. And in terms of timing, you've got a number on prospects in terms of drilling Cameia 3 potentially. Where would that fall from a stand point every timing versus other prospects or is that just something you need to determine after Cameia 2 is done?

Joe Bryant - *Cobalt International Energy Inc - Chairman, CEO*

That's what I was referring to earlier is that depending on results of Cameia 2, and the other prospects we have which would include Bicuar, Luongo, north Cameia, we'll integrate all of that data and then decide what well we drill with each of those two slots that are left on the Ocean Confidence and then hopefully by that time we'll have line of sight to the additional long-term rig for Angola and have a more robust conversation about how all these prospects will be drilled over the coming years.

Brad Pattarozzi - *Tudor, Pickering, Holt & Co. - Analyst*

Okay. Thanks.

Joe Bryant - *Cobalt International Energy Inc - Chairman, CEO*

You bet.

Operator

Thank you. Our next question is coming from the line of Mike Scialla with Stifel Nicholaus.

Mike Scialla - *Stifel Nicholaus - Analyst*

Good morning, guys.

Joe Bryant - *Cobalt International Energy Inc - Chairman, CEO*

Good morning, Mike.

Mike Scialla - *Stifel Nicholaus - Analyst*

I wanted to follow up on Ligurian 2. Did that well see both of the sands, those upper sands in the Miocene that were found at Heidleberg or just one?

Joe Bryant - *Cobalt International Energy Inc - Chairman, CEO*

It drilled through the section of both of those sands. But not the deeper sand which was the secondary target.

Mike Scialla - *Stifel Nicholaus - Analyst*

Right. And can you say where those two upper sands came in structurally compared to what you were predicting?

Joe Bryant - *Cobalt International Energy Inc - Chairman, CEO*

You know, that's really confidential data at this point. No, I can't.

Mike Scialla - *Stifel Nicholaus - Analyst*

Understood, okay. Any bearing on what you've seen with those ones, does it change your outlook for the deeper prospect at this point?

Joe Bryant - *Cobalt International Energy Inc - Chairman, CEO*

No, not really. They're really independent in terms of the risk profile and so far I haven't seen anything that would substantially change that.

Mike Scialla - *Stifel Nicholaus - Analyst*

Okay. And then just last one, any thoughts on selling down Angola?

Joe Bryant - *Cobalt International Energy Inc - Chairman, CEO*

Well, we talk about that a lot and we get that question an awful lot. You know, the real issue there is as we've said before is that it's difficult because of the size of these blocks which are, you know, several hundred Gulf of Mexico blocks, if you sell down, you're selling down in the entire block, not in a prospect and so of course based on our success rate thus far in block 21, we can't see selling down in the block for what would essentially be probably a simple well promotes on a future well. So we talk about that a lot. We think about that but we just can't get there economically at this point.

Mike Scialla - *Stifel Nicholaus - Analyst*

Got it. Thank you.

Operator

Thank you. Our next question is from the line of Jed Bachman of Howard Weil.

Jed Bachman - *Howard Weil - Analyst*

Good morning, guys. Just a couple quick ones. With the data you've picked up on Cameia, any idea when we could see a new DMM report that goes over all the hydrocarbon recovery yields, all those data points for the areas?

John Wilkirson - *Cobalt International Energy Inc - CFO*

It's John Wilkirson. At this point we don't have anything planned. We'll be looking through that once we get the wells drilled. There's nothing planned at this point.

Jed Bachman - *Howard Weil - Analyst*

Okay. And then last one for me, do you guys anticipate being active in upcoming lease sale in June this year?

Joe Bryant - *Cobalt International Energy Inc - Chairman, CEO*

We're always looking at lease sales, trying to understand how the available acreage would fill into our portfolio and our data. That's just something that if you're in exploration, you're always looking at.

Jed Bachman - *Howard Weil - Analyst*

All right. Thank you, guys. Thank you.

Operator

Our next question is from the Al Stanton of RBC Capital Markets. Please proceed with your markets.

Al Stanton - *RBC Capital Markets - Analyst*

I think I'm going to test your patience on the rig for west Africa. It's really about can you work in partnership with anyone else in Angola to secure rigs for the period you need. I'm interested to know whether you have the confidence to just put your head down and drill well after well after well or as we've seen with some other people, particularly in east Africa, you drill two or three wells and then pause for a breath and then drill a couple more.

And I suppose the final bit to that is, if actually we're going to plot the drilling schedule for exploration, should we do what you've done to date and that is one exploration well, one or two appraisal wells, one exploration wells, win or two appraisal wells and in fact the drilling schedule for exploration gets drawn out over quite a few years, perhaps twice as long as we're currently assuming?

Joe Bryant - *Cobalt International Energy Inc - Chairman, CEO*

Well, if I under your question, is our intention to take a rig and contract under long-term with the plan to drill our portfolio. This is a currently our intention. Of course the issue is when you have success, you know, you have really two challenges. One you're trying to appraise the discovery you've made and at the same time you're trying to integrate that data into the rest of your portfolio.

So very seldom is it as simple as just saying I'm going to put my head down and drill exploration wells. It's always what do I do with the rig I have to create the most shareholder value? Our intention today is to take a rig under a long-term contract and endeavor to have a continuous drilling program. That doesn't mean it will be continuous exploration drilling.

But it doesn't mean that it won't. It means that once you get the infrastructure established in a place like Angola, you know, you just need to keep drilling. You need to keep the same rig on the payroll. Everybody gets used to the rig and working with each other and that's how you can get things done most efficiently and most safely.

That's our intention. But let me answer what I think you had another line of questioning, would we consider partnering with other people for a long-term rig in Angola or west Africa? And we are in conversations almost reroutinely with other operators to pick up rigs that, you know, we can rig share with if that's our best option. As a matter of fact that's the Ocean Confidence was we took that rig on a sublet from another operator. We do all of the above, and we make the decision, you know, on the day that's best for the shareholders and best for our operational people.

Al Stanton - *RBC Capital Markets - Analyst*

Great, thank you.

Joe Bryant - *Cobalt International Energy Inc - Chairman, CEO*

You're welcome.

Operator

Thank you.

Joe Bryant - *Cobalt International Energy Inc - Chairman, CEO*

Okay, there are no more questions in the queue. I might just wrap it up there. As I've said earlier, we've accomplished a great number of things in the first quarter.

We're extremely pleased with the Cameia well results. We look forward to announcing Cameia 2 in the second quarter. Again we're pleased with the results from Heidelberg. We're obviously disappointed with the result that we've seen thus far in Ligurian.

We're not giving up there. We'll look forward to seeing what those deeper sands have to offer and we'll let you know what they do have to offer as soon as we have those results. We do continue to have results in the productivity in the Gulf of Mexico and in our portfolio there and we certainly have a lot of confidence in our west African asset base.

Let me thank all of your interest and Cobalt. Please don't hesitate to get in touch with John or Rick Smith or myself. We're available at any time. Thanks, everybody. Have a good day.

Operator

This concludes today's teleconference.

DISCLAIMER

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In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES THOMSON REUTERS OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

EXHIBIT 20

Use these links to rapidly review the document
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PART I—FINANCIAL INFORMATION

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2012

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 001-34579

Cobalt International Energy, Inc.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**27-0821169** (I.R.S. Employer Identification No.)
Cobalt Center **920 Memorial City Way, Suite 100** **Houston, Texas** (Address of principal executive offices)	**77024** (Zip code)

(713) 579-9100
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of shares of the registrant's common stock outstanding at June 30, 2012: 410,595,026 shares.

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provisions. The drilling contract further requires us to pay up to approximately $45 million for mobilization, demobilization and certain rig modifications.

- On July 3, 2012, we spud the North Platte #1 exploratory well in the U.S. Gulf of Mexico. The North Platte #1 exploratory well is located in the heart of the emerging inboard Lower Tertiary play in which we believe we hold a dominant position with numerous follow-on inboard Lower Tertiary exploratory prospects. We expect well results in late 2012. We are the operator of the North Platte #1 exploratory well and have a 60% working interest in the prospect.

- On June 29, 2012, the Shenandoah #2 appraisal well was spud by its operator. This well will appraise the Shenandoah inboard Lower Tertiary oil discovery, made in 2009, where more than 300 feet of net oil pay was discovered. We expect well results in late 2012. We have a 20% working interest in the Shenandoah prospect.

- On June 20, 2012, we participated in the U.S. Gulf of Mexico Central Lease Sale and were the high bidder on ten blocks, which represented a total net bid amount of approximately $17 million. Through these acquisitions, we will expand our U.S. Gulf of Mexico asset inventory by adding two new prospects and by adding adjacent blocks to two of our existing prospects.

- On June 12, 2012, we announced that our Ligurian #2 exploratory well had reached total objective depth after having drilled through all the targeted Miocene formations. The well did not encounter commercial hydrocarbons and it was subsequently plugged and abandoned.

- In early May 2012, we completed the acquisition of approximately 4,200 square kilometers of 3-D seismic data on Block 20 offshore Angola and are currently processing this data. We plan to spud the Lontra #1 exploratory well on Block 20 in 2013.

- On April 27, 2012, we executed a letter agreement with a subsidiary of Diamond Offshore Company that extends the Ocean Confidence drilling contract by allowing us to use the Ocean Confidence drilling rig for an incremental additional well slot, meaning that we are able to use the Ocean Confidence to drill two more wells offshore Angola. In return for this additional well slot, we agreed to release the Ocean Confidence to another operator to drill one well offshore Congo following operations on our Cameia #2 appraisal well. We expect this offshore Congo well, including mobilization and demobilization, will take approximately 120 days to drill, after which the Ocean Confidence will return to Angola to drill two wells for us. Our first well will be at a rate of $375,000 per day and the second well will be at a rate of $430,000 per day.

Second Quarter 2012 Financial Highlights

- We recorded a net loss of approximately $140.7 million, a 622.5% increase from the second quarter of 2011. Total operating expenses were approximately $142.2 million, a 592.2% increase from the second quarter of 2011. The increase of $121.2 million in net loss for the second quarter was primarily attributed to the increase of $58.9 million in dry hole expense charge recorded for the Heidelberg #3 sidetrack, Ligurian #1 and #2 exploratory wells, an increase in allowance for impairment of unproved leasehold properties of $50.0 million for our Ligurian prospect, and certain other prospects, an increase of $7.2 million for the purchase of seismic data over prospects in the U.S. Gulf of Mexico and an increase of $5.1 million in general and administrative expenses.

- Total expenditures, excluding changes in working capital, were approximately $124 million and $358 million, respectively, for the three and six months ended June 30, 2012.

- Including our existing cash and investments on hand and restricted cash as of June 30, 2012, we have approximately $1.7 billion of liquidity.

Results of Operations

We operate our business in two geographic segments: the United States and West Africa. The discussion of the results of operations and the period-to-period comparisons presented below for each operating segment and our consolidated operations analyzes our historical results. The following discussion may not be indicative of future results.

EXHIBIT 21

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

October 26, 2012

Via Facsimile
Mr. John P. Wilkerson
Chief Financial Officer
Cobalt International Energy, Inc.
1980 Post Oak Boulevard, Suite 1200
Houston, Texas 77056

Re: Cobalt International Energy, Inc.
Form 10-K for the Fiscal Year ended December 31, 2011
Filed February 21, 2012
Response Letter dated September 27, 2012
File No. 1-34579

Dear Mr. Wilkerson:

We have reviewed your filing and response letter and have the following additional comments. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure.

Please respond to this letter within ten business days by amending your filing, by providing the requested information, or by advising us when you will provide the requested response. If you do not believe our comments apply to your facts and circumstances or do not believe an amendment is appropriate, please tell us why in your response.

After reviewing any amendment to your filing and the information you provide in response to these comments, we may have additional comments.

Form 10-K for the Fiscal Year ended December 31, 2011

General

1. We understand that you would prefer to limit compliance with our prior comments to future filings and will consider your request. However, you should nevertheless submit draft revisions to the disclosures in your annual report with your next reply, reflecting all of the specific revisions you propose in response to prior comments 1, 2, 3, 4 and 5; and those necessary to resolve the additional comments in this letter.

Our Prospects Offshore West Africa, page 16

2. We have read the information you provided in response to prior comment 2 and understand that you would prefer to refrain from disclosing various parameters and measurements of your test. However, we continue to believe that further details are necessary to provide adequate information about the results, given your disclosure of the "potential to produce in excess of 20,000 barrels of oil per day." We believe you should augment your disclosure to include an estimate of the initial production rates that you believe could be achieved if you were to actually develop the property. It should be clear whether you believe such rates would be close to the 20,000 "potential" figure you disclose, or more in line with the actual stimulated sustained rate of 5,010 barrel per day. Also clarify your purpose of disclosing a measure on the assumption of having no restrictions and the relevancy of this measure in estimating achievable production.

Financial Statements

Note 1 - Organization and Operations, page F-9

3. We understand from your response to prior comment 3 that you regard various interests in exploration properties as "high impact prospects" and activities of evaluating such properties as "maturing high impact prospects" because you believe the properties have a high possibility of containing oil in commercially viable quantities. However, given that you have not established the degree of certainty necessary to claim reserves on these properties your characterization of the prospects as high impact appears to be without the requisite degree of support. Please modify your disclosures concerning exploration properties as necessary to reflect the uncertainty inherent in your prospects and to remove or disassociate high impact terminology from prospects where impact is not quantified.

4. We note your response to prior comment 4 concerning disclosures indicating that you expect to develop and produce oil from properties on which you have not yet established reserves. You explain that various disclosures such as "we will progress our existing discoveries toward development and production" were not intended to suggest that you will develop and produce from these properties. You indicate the word "toward" was intended to reflect some degree of uncertainty and clarify that you may conclude there is not sufficient justification to proceed with development.

   We believe your disclosures need to be revised to achieve clear and fair representation. For example, given the general objective of finding reserves to develop and produce in order to add value to the enterprise, referring to exploration properties as discoveries without clarification has the potential to unjustly elevate the perception of value among readers. Based on the uncertainty articulated in your response, we also understand that you are not able to support the nature of progress suggested by your disclosure.

Until you establish reserves, correlating exploration activities with progress toward development and production dismisses without support the possibility that such activities may ultimately only constitute progress toward abandonment. Please replace references to *discoveries* with exploration prospects or similar clarifying language, and modify your references to *progress* as necessary to emphasize that advance in evaluating prospects may only constitute progress toward the point at which you may then determine whether to proceed with development or to abandon the properties. Please also disclose the steps necessary to reach that decision point, describe the uncertainties and significant factors that you will need to address or resolve, the anticipated costs and your timetable.

Similarly, given that you have not established reserves, the disclosures mentioned in your response, "we do not know how long it will take to achieve substantial production from our oil properties" and "we are currently preparing the development schedule and do not have an estimate of first oil production and initial operating cash flow at this time" do not clearly convey the level of uncertainty inherent in your prospects. These and similar disclosures should be modified throughout your filing as necessary to clarify that you do not know whether you will ever establish the reserves necessary to complete an estimate of cash flows or to develop or produce from any of your properties.

Closing Comments

You may contact Tracie Towner at (202) 551-3744 if you have questions regarding comments on the financial statements and related matters. Please contact me at (202) 551-3686 with any other questions.

Sincerely,

/s/ Karl Hiller

Karl Hiller
Branch Chief

EXHIBIT 22

Cobalt
International Energy

PRESS RELEASES

Cobalt International Energy, Inc. Announces Third Quarter 2012 Results

HOUSTON--(BUSINESS WIRE)--Oct. 30, 2012-- Cobalt International Energy, Inc. ("Cobalt") (NYSE:CIE) today announced a net loss of $39 million, or $0.10 per basic and diluted share, for the third quarter of 2012, compared to a net loss of $47 million, or $0.12 per basic and diluted share, for the third quarter of 2011.

Total expenditures (excluding changes in working capital) for the quarter ending September 30, 2012 were approximately $129 million. These expenditures are consistent with previously announced 2012 estimated total expenditures of between $550 and $650 million. Cobalt's cash, cash equivalents, and investments position at the end of the third quarter was approximately $1.5 billion. This included about $485 million designated for future operations held in escrow and collateralizing letters of credit, but excluded approximately $110 million in the TOTAL drilling fund for the U.S. Gulf of Mexico. Cobalt continues to have no outstanding debt.

Conference Call

A conference call for investors will be held today at 10 a.m. Central Time (11 a.m. Eastern Time) to discuss Cobalt's third quarter results. Hosting the call will be Joseph H. Bryant, Chairman and Chief Executive Officer and John P. Wilkirson, Chief Financial Officer.

Due to the current storm on the East Coast the dial-in information has changed. The call can be accessed live over the telephone by dialing (888) 846-5003, or for international callers, (480) 629-9856. A replay will be available shortly after the call and can be accessed by dialing (877) 870-5176, or for international callers, (858) 384-5517. The passcode for the replay is 4573722. The replay will be available until November 13, 2012.

Interested parties may also listen to a simultaneous webcast of the conference call by accessing the Investors-Presentations and Publications section of Cobalt's website at www.cobaltintl.com. A replay of the webcast will also be available for approximately 30 days following the call.

About Cobalt

Cobalt is an independent oil exploration and production company focusing on the deepwater U.S. Gulf of Mexico and offshore Angola and Gabon. Cobalt was formed in 2005 and is headquartered in Houston, Texas.

Forward-Looking Statements

This press release includes “forward-looking statements” within the meaning of the safe harbor provisions of the Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 — that is, statements related to future, not past, events. Forward-looking statements are based on current expectations and include any statement that does not directly relate to a current or historical fact. In this context, forward-looking statements often address Cobalt’s expected future business and financial performance, and often contain words such as “anticipate,” “believe,” “intend,” “expect,” “plan,” “will” or other similar words. These forward-looking statements involve certain risks and uncertainties that ultimately may not prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. For further discussion of risks and uncertainties, individuals should refer to Cobalt’s SEC filings. Cobalt undertakes no obligation and does not intend to update these forward-looking statements to reflect events or circumstances occurring after this press release, other than as required by law. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. All forward-looking statements are qualified in their entirety by this cautionary statement.

Consolidated Statement of Operations Information (Unaudited):

	For Three Months Ended September 30,		**For Nine Months Ended September 30,**	
	2012	**2011**	**2012**	**2011**
	($ in thousands except per share data)			
Oil and gas revenue	$—	$—	$—	$—
Operating costs and expenses:				
Seismic and exploration	6,327	4,757	35,682	12,010
Dry hole expense and impairment	15,041	31,840	131,720	36,859
General and administrative	18,916	11,459	52,239	36,115
Depreciation and amortization	269	186	782	549
Total operating costs and expenses	40,553	48,242	220,423	85,533
Operating income (loss)	(40,553)	(48,242)	(220,423)	(85,533)
Other income (expense):				
Interest income (expense), net	1,339	1,255	3,955	3,010
Total other income (expense)	1,339	1,255	3,955	3,010
Net income (loss) before income tax	(39,214)	(46,987)	(216,468)	(82,523)
Income tax expense	—	—	—	—
Net income (loss)	$(39,214)	$(46,987)	$(216,468)	$(82,523)

Basic and diluted income (loss) per share	$ (0.10)	$ (0.12)	$ (0.54)	$ (0.22)
Weighted average common shares outstanding	406,543,628	386,826,845	402,272,534	373,073,307

Consolidated Balance Sheet Information:

	September 30, 2012 (Unaudited)	December 31, 2011 (Audited)
	($ in thousands)	
Cash and cash equivalents	$ 126,770	$ 292,546
Short-term restricted funds	90,280	69,009
Short-term investments	885,394	858,293
Total current assets	1,253,010	1,335,094
Total property, plant and equipment	1,026,124	863,326
Long-term restricted funds	394,453	270,235
Long-term investments	12,853	47,232
Total assets	2,689,209	2,527,944
Total current liabilities	150,884	238,069
Total long-term obligations	168,238	210,961
Total stockholders' equity (406,559,153 and 387,531,630 shares issued and outstanding as of September 30, 2012 and December 31, 2011, respectively)	2,368,510	2,078,914
Total liabilities and stockholders' equity	2,689,209	2,527,944

Consolidated Statement of Cash Flows Information (Unaudited):

	Nine Months Ending September 30, 2012	2011
	($ in thousands)	
Net cash provided by (used in):		
Operating activities	$ (134,647)	$ (35,544)
Investing activities	(520,543)	(552,740)
Financing activities	489,414	478,204

Source: Cobalt International Energy, Inc.

Cobalt International Energy, Inc.
Investor Relations:
Richard A. Smith, +1 713-579-9141
Vice President, Investor Relations and Planning
or
Media Relations:
Lynne L. Hackedorn, +1 713-579-9115
Vice President, Government and Public Affairs

EXHIBIT 23

THOMSON REUTERS STREETEVENTS

EDITED TRANSCRIPT

CIE - Q3 2012 Cobalt International Energy, Inc. Earnings Conference Call

EVENT DATE/TIME: OCTOBER 30, 2012 / 3:00PM GMT

THOMSON REUTERS

CORPORATE PARTICIPANTS

Joe Bryant *Cobalt International Energy, Inc. - Chairman and CEO*

John Wilkirson *Cobalt International Energy, Inc. - CFO*

CONFERENCE CALL PARTICIPANTS

Brian Singer *Goldman Sachs - Analyst*

Michael Scialla *Stifel Nicolaus - Analyst*

Joe Allman *JPMorgan - Analyst*

Al Statson *RBC Capital Markets - Analyst*

Richard Tullis *Capital One South - Analyst*

Matt Portillo *Tudor, Pickering, Holt - Analyst*

Ed Westlake *Credit Suisse - Analyst*

PRESENTATION

Operator

Welcome to Cobalt International Energy's third quarter 2012 conference call. Just as a reminder, today's call is being recorded. Before we get started, one housekeeping matter. This conference call includes forward-looking statements, the risk associated with forward-looking statements has been outlined in the earnings release in the Cobalt's SEC filings and we incorporate these by reference for this call. At this time, for opening remarks and introductions, I would like to turn the call over to the Chairman and CEO of Cobalt, Mr. Joe Bryant. Please go ahead, sir.

Joe Bryant *- Cobalt International Energy, Inc. - Chairman and CEO*

Good morning and thank you for joining us on Cobalt's third quarter 2012 earnings call. I'm joined on today's call by John Wilkirson, our Chief Financial Officer. Before I get into my prepared comment this morning, I would like to say that our thoughts are with all of our fellow Americans and shareholders who are affected by Sandy. Having gone through numerous similar storms, all of us at Cobalt understand and empathize with your current circumstances. At this time we wish for nothing more than your safety and the safety of your families.

I'll begin by discussing our third-quarter operational activities and a few plans for the near term. I will then turn the call over to John for a discussion of our financial results. Our overall objective in the third quarter was and continues to be to move all of our catalytic events closer to value realization for our shareholders. While I'm disappointed that we had to delay the production test in the Cameia #2 well from the third quarter, I am pleased to report that we continue on track to deliver results in the near term for our North Platte and Shenandoah wells in the Gulf of Mexico, and have made significant progress moving our previously discovered Cameia and Heidelberg fields to first production.

The progress that we continue to make is setting the stage for a very exciting fourth quarter and a catalyst-rich 2013. All of our current and near-term activities have the potential to deliver immense shareholder value in the coming year. As I announced our second-quarter earnings call, the Cameia #2 appraisal well offshore Angola reached its total depth on July 4. After obtaining encouraging logging results, we've planned to perform a production test in the lowest interval to provide further insight into a new, potentially productive, deeper zone in the field. However, we were delayed due to numerous mechanical malfunctions of the Ocean Confidence drilling rig, causing us to release the rig to Diamond Offshore Drilling for repairs before we could perform the production test.

Due to this rig release, we have evaluated other rigs which may be available to perform the production test while closely monitoring the status of the Ocean Confidence rig and when it may be able to return to conduct the test. As of today, we believe that the most likely option is to use the

Ocean Confidence, which is expected to return before year-end, allowing us to conduct the production test sometime in the next 45 to 60 days. Based on this timing, the earliest that we will be able to report results is late in the fourth quarter.

Moving to the deepwater Gulf of Mexico, we spud the North Platte #1 exploratory well on Garden Banks Block 959 on July 3, with the ENSCO 8503 drilling rig. The Cobalt-operated North Platte prospect is a 4-way Inboard Lower Tertiary structure that lies in the heart of the emerging inboard Lower Tertiary play. Cobalt holds a dominant position in this exciting play, with numerous follow-on inboard Lower Tertiary exploratory prospects. Drilling on this well is proceeding as planned, and we continue to expect that we will announce the results of this well by year-end.

Appraisal drilling operations continue in the Anadarko-operated Shenandoah field. We and our partners are drilling a well that will appraise the Shenandoah Inboard Lower Tertiary oil discovery announced in 2009 for more than 300 feet of net oil pay was discovered. Progress on the appraisal operations has been slower than anticipated, but we are hopeful that we will have well results in the next few months.

Back in Angola, we continue to work closely with our Cameia partners and the concessionaire to advance our Cameia super-pay development planning efforts in order to help us achieve production from the Cameia field in a timely manner. We anticipate employing a phase development approach and are currently pursuing the ordering of critical [longly] subsidy equipment and evaluating FDSO options for this development project. We are anticipating a final investment decision on the first phase of this development project to be made sometime in 2013. If we maintain this schedule, I continue to believe that we will begin production at Cameia in early 2016.

In the Gulf of Mexico, the Heidelberg partnership is continuing to precede work and is evaluating development solutions with the objective of advancing commercialization of Heidelberg as a stand-alone development. First production for this development is also anticipated to be in 2016.

As I announced in our second-quarter earnings call, Cobalt was the high bidder on 10 Gulf of Mexico blocks in the Central Gulf of Mexico lease sale held on June 20. I'm pleased to report that Cobalt has been awarded leases on all 10 of these high [pit] blocks, which has added two new prospects to our inventory and added [j.p.] blocks to two of our existing prospects.

Turning our attention towards 2013, there's no doubt that the next 12 to 14 months will be the most exciting time in our history. In the Gulf of Mexico, we will follow the North's Platte well by drilling both our Ardennes and Aegean. Ardennes has both Miocene and Lower Tertiary potential and Aegean is another of our numerous Inboard Lower Tertiary prospects in the greater North Platte area. Cobalt operates both of these prospects. We also anticipate that at least one outside-operated exploration well will be drilled in the Gulf of Mexico next year.

In Angola, we will have two Cobalt-operated drilling rigs running for the better part of 2013. We have several prospects that we intend to drill next year in this exciting, new exploration province. In Block 20, we have recently completed our new 3-D seismic over the Lontra prospect, and I'm happy to tell you that the prospect appears to be a very large pre-salt structure, significantly larger than Cameia, for example. Lontra is also a bit shallower than Cameia which implies shorter drilling times and lower drilling cost. It now looks like we will be prepared to spud Lontra late in the first quarter, or early in the second quarter, which will result sometime mid-year.

We also have numerous additional prospects in Block 20 that appear to have excellent follow-on potential after Lontra. In Block 21, we the Mavinga and Bicuar prospects approved and ready to drill. We are also aggressively maturing additional prospects on Block 21. In Gabon, we expect that [hotel-as-operator] will spud our much anticipated Mango prospect on the Diaba block sometime in the first quarter. Again, our new seismic data over Diaba has revealed significant follow-on potential on the block. So, put all of that together, in 2013 we plan to drill Ardennes, Aegean, Lontra, Mavinga, Bicuar, Mango, and at least one more outside-operated Gulf of Mexico well. That is absolutely an all-star lineup of top-tier global exploration prospects, as measured by any standard or in any portfolio. I will now turn the call over to John, who will review our financial results.

John Wilkirson - *Cobalt International Energy, Inc. - CFO*

As reported in this morning's release, for the third quarter of 2012, Cobalt's net loss was $39 million or $0.10 per basic and diluted share. Our net loss for the quarter was in line with the [credit's first call as in census] and consistent with recent quarters after adjusting for impairment. Our cash expenditures, excluding working capital, [drop] changes for the quarter were $129 million. Of this, over $90 million was associated with drilling activities in Angola and the Gulf of Mexico, and about $19 million for lease acquisitions, mainly for those leases awarded from the 2012 Central

Gulf lease sale. For the full year, our cash expenditure forecast, excluding working capital changes, remains unchanged at $550 million to $650 million. We plan to release our 2013 cash expenditure estimates early next year.

Our balance sheet remains strong, with approximately $1.5 billion consisting of $1 billion of unrestricted cash and investments plus about $485 million of cash and investments designated for future operations held in escrow and collateralized letters of credit. I'd like to point out that our unrestricted cash balance will increase and our restricted cash balance will decrease by about $90 million in January of next year when that amount of money [year's of least] for the terms of our ENSCO letter of credit. In addition, and not reported on our balance sheet, are the drilling [promote] fund to $110 million for our Gulf of Mexico program with TOTAL. We continue to have no debt.

We expect our fourth-quarter 2012 earnings will align with our cash expenditures, and primary earnings uncertainty will be either due to capitalization or expensing of the cost following the results of individual exploration wells. In addition, we anticipate having approximately $4 million to $6 million of non-drilling, non cash-related earnings items in the quarter. I'll now turn the call back over to Joe.

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Thanks, John. And I'll wrap the prepared portion of today's call by saying that, while we didn't see any new well results in the third quarter, we're making great progress towards delivering near constant stream of results for our significant prospects and activities later this year and all through 2013, both in West Africa and in the Gulf of Mexico. And as we've always done, we will communicate any results that we have to you all on a timely basis. I now look forward to any questions that you may have. Operator?

QUESTIONS AND ANSWERS

Operator

Thank you, sir. We will now begin the question-and-answer session.

(Operator Instructions)

And our first question comes from Brian Singer, with Goldman Sachs.

Brian Singer - *Goldman Sachs - Analyst*

Thanks. Good morning.

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Good morning, Brian.

Brian Singer - *Goldman Sachs - Analyst*

In Angola, I believe you always thought of Lontra as a bigger-sized prospect than Cameia. Was it the shallower nature of the reservoir that was the key conclusion from the 3-D seismic results? And can you talk to any new learning from data processing in recent months that you may have on the main Cameia reservoir where you're planning development?

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Okay. I understand, I think you had two questions there, Brian. One was -- any key learnings on the seismic at Lontra? Is that right? And then, any key learnings on Cameia? Wanted to make sure I heard you right.

Brian Singer - *Goldman Sachs - Analyst*

That's right.

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Yes, I think while we may have suspected Lontra would've been a bit shallower, our current seismic interpretation confirms that it is shallower. So, it's good news all the way around that it is both shallower and it is large, so very good news on Lontra.

As far as Cameia goes, I guess I would say that -- probably in three parts, to answer that question, one is all of our development planning work is proceeding at pace with no surprises there. I think the reservoir analysis of the superpay zone has yielded no surprises, and certainly we believe we have enough resource there for a partial development. Thirdly, we've seen nothing in our re-analysis of the deeper zone to tell us that we should be discouraged about the upcoming test. But as we've said, we've just got to get perforations in that pipe and test it to see what it'll produce. So, no bad news in any of that.

Brian Singer - *Goldman Sachs - Analyst*

Great, thanks. And then, as we look ahead to what could be a couple of announcements coming up at the end of the year, North Platte and then hopefully the flow test at Cameia 2, could you just remind us of your expectations going in, so when we hear your comments, we know how to put it in perspective?

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Can you help me with what the question was about? I'm not sure I understood exactly what you're looking for there, Brian.

Brian Singer - *Goldman Sachs - Analyst*

Can you just talk to your pre-drill expectations for what we think we're going to learn both from the flow test of the deep reservoir and how to put that into context for the rest of Cameia? And then expectations for North Platte? That way when we potentially read a Christmas Eve-type press release, we know how to put it into context.

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

We have a couple of questions on North Platte that need to be answered. One, is our geologic model correct? Are the stratigraphic sequences where we would've expected them to be? And then two, do we encounter reservoir rock at depth? So, that's what I would be looking for, is that did we drill the well we thought we'd wanted to drill, and do we think we have hydrocarbon column in reservoir rock at North Platte? And as of today, I can't answer either one of those.

At Cameia, as I've said many times to a lot of you, the real issue there is can it flow at all, and what kind of oil does it flow? We're not so much concerned about the rate, at least I'm not, I'm more concerned about does it have flow potential at all? And because -- as we've talked, the problems we had, or the hole conditions when we drilled that deep zone, we weren't sure what our logging results were telling us. We're encouraged by what they say, but we just don't know for sure.

So I'm hopeful that we get any flow rate. Of course, larger flow rates will make us a lot happier on Christmas Eve than lower flow rates, but we just don't know yet.

Brian Singer - *Goldman Sachs - Analyst*

Great, thank you.

Operator

Our next question comes from Michael Scialla with Stifel Nicolaus.

Michael Scialla - *Stifel Nicolaus - Analyst*

Good morning, guys.

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Michael.

Michael Scialla - *Stifel Nicolaus - Analyst*

Looks like Anadarko reported yesterday that they're participating in a couple of additional inboard Lower Tertiary exploration prospects. Wondering if you're familiar with those, and if those might have any bearing on either Ardennes or Aegean?

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

I didn't listen in on their conference call, so I don't which they're talking about. But no, I think they're drilling an offset, or there is an offset well to the south of Shenandoah that we're watching, that's interesting, I believe the name of that well is Yucatan. Doesn't necessarily have any impact one way or the other on any of our prospects. And really, in North Platte, that well is a long way from any prospects at this point. So, it's a key well for the industry, as well as Cobalt.

Michael Scialla - *Stifel Nicolaus - Analyst*

Okay. And then, switching over to Angola, you've laid out what you plan to drill on the exploration side next year. Any plans to drill any development at Cameia?

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

No, not next year. And the reason for that, of course, is that it doesn't make any sense to drill development wells until you can time the completion of those wells to a facility that's in the field. So, assuming end of 2015, early 2016, before we would be ready to go, we would time the development drilling wells that coincide with first production.

Michael Scialla - *Stifel Nicolaus - Analyst*

No need for any additional appraisal there?

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

None at all.

Michael Scialla - *Stifel Nicolaus - Analyst*

Okay. And I think in the D&M report for Cameia, they had estimated 25,000 acres for a mean case. Is that based on the sag only or does that include some of the syn-rift as well?

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

That would include the syn-rift, and we're still not able to confirm or refute that larger reservoir size based on what we've seen today. This next test result will help us form a judgment around that, but as of today, we can't have a good opinion, one way or the other, about that larger footprint of Cameia.

Michael Scialla - *Stifel Nicolaus - Analyst*

Okay. And then just one last one. It looks like -- when I look at a lot of the discoveries in the Santos and Campos Basins, like Lula and Franco and some others, it looks like the sag and the syn-rift may be in pressure communication, where that doesn't seem to be the case at Cameia. I just wonder if there's any other discoveries in Brazil that you think might be better analogued for what you have at Cameia?

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

We don't have a perfect data set for all of the data in Brazil, and of course we're in the very, very early stages of the analysis of Quanta Basin. So [via] the less conversation that I think we'll be able to have with you, say a year from now or 18 months from now, anything I'd say today would just be conjecture.

Michael Scialla - *Stifel Nicolaus - Analyst*

Understand. Thank you.

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

You bet.

John Wilkirson - *Cobalt International Energy, Inc. - CFO*

Thanks for asking.

Operator

Our next question comes from Joe Allman with JP Morgan. Please go ahead, sir.

Joe Allman - *JPMorgan - Analyst*

Thank you. Hi, everybody.

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Good morning, Joe.

Joe Allman - *JPMorgan - Analyst*

So, I missed your comments at the beginning of the call. So it appears that you're looking at the Ocean Confidence as the most likely option for conducting the Cameia 2 flow test. And if that's the case, can you just give us some details around that? Do you expect to get that back within the next few weeks? Or when? And then, will you have a result by year-end? Or, if possible, at least into early 2013?

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Yes, what I said, Joe, is that we've looked at several alternatives for that flow test, and as of today, it looks like the Ocean Confidence is the most likely scenario. And we're anticipating, sometime in the next 45 to 60 days, that the rig will be headed back or be back to Angola, and that we'll get the test off and report results, kind of the earliest, in my opinion, is going to be right at the end of the year.

Joe Allman - *JPMorgan - Analyst*

Okay. But is it -- there's also a chance it will be early next year, so I guess we don't want to get people's hopes up too much?

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Yes, it totally depends on when the rig comes back. We're ready to go, the well's ready to, we just got to get a reliable rig out there to test the well.

Joe Allman - *JPMorgan - Analyst*

And then once you get the rig, how long does the actually flow testing operation take?

John Wilkirson - *Cobalt International Energy, Inc. - CFO*

It doesn't take that long. It takes us probably about 10 days to get rigged up and ready to go. From book ends on the test are probably 25 to 30 days, but that includes the abandonment of the well itself. So it takes a long time to actually run all of the jewelry in the well. So, I'm going to say 15 days or so, once the rig shows up in the field, before we would have test results.

Joe Allman - *JPMorgan - Analyst*

Okay. Thank you. And then, Joe, when you gave the list of wells, the exploration wells for 2013, I counted 8 wells including the one that's operated by someone else in the Gulf. Do they have the right number?

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

That's close enough.

John Wilkirson - *Cobalt International Energy, Inc. - CFO*

For now, that's what our expectation is.

Joe Allman - *JPMorgan - Analyst*

Okay. Just checking, because I missed one. And then, with the North Platte, just remind us what your pre-drill expectation is for reserves there. And are you -- do you feel pretty confident we'll get a result by year-end?

John Wilkirson - *Cobalt International Energy, Inc. - CFO*

Yes, the D&M numbers on that were around 400 million to 800 million barrels.

Joe Allman - *JPMorgan - Analyst*

Okay. Is that a P50 number? Or --

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

It's kind of a range, depending upon on which mean or P number you want to use. So, I'd expect kind of a range of outcomes for it. Obviously, 800 would be a lower probability and the 400 would be more of the mean.

Joe Allman - *JPMorgan - Analyst*

Okay. Got you. And then you're confident in getting results by year-end?

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

No reason to believe we won't have results by year-end.

Joe Allman - *JPMorgan - Analyst*

Okay, great. All right, very helpful, Joe. Thank you.

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Thank you, Joe.

Operator

(Operator Instructions)

And our next question comes from [Al Statson] with RBC. Please go ahead, sir.

Al Statson - *RBC Capital Markets - Analyst*

Yes. Good afternoon, guys. I'm just trying to make an estimate that next year's spending, and I was just looking at the wells and wondering whether this sort of ballpark of $100 million to $150 million a well is still a reasonable number, or whether you would pick out any wells that have been particularly cheap or expensive?

And then also, in terms of -- do any benefit from carries? And then I appreciate you spending more money than just on the drilling. How much seismic would we anticipate next year? Would that be a significant portion of next year's budget? Or would an estimate just north of the drilling cost be reasonable as the starting point for next year?

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Yes, as we said, Al, we'll have definitive guidance on spending for next year right after the first of the year, which we're still pulling together. But I would say that the seismic spend in 2013 will be de minimus compared to the drilling spend next year. So, as a general principal, I think you're right on, that the well costs will be what drive our spending in 2013.

Al Statson - *RBC Capital Markets - Analyst*

Right. Okay. And then just finally, going back to Cameia 2, when you were talking about you're hoping the well would flow well, or flow, rather than specifically the rate. How much of that is to do with the quality of the well, and how much of that is to do with the reservoir?

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Well, that's the question we're trying to answer, to be honest. Again, the word we use is rugasi. The hole was much bigger, because of the way it drilled and the diameter of the drill bit. And because of that, we're not sure what we can believe in our log analysis.

So we're trying to -- we're going to test the well to try and understand whether the well has -- we're seeing representative flow rates from the rock itself, or if there's a situation with the geometry of the well bore. We do have a means to stimulate the well, to make sure that we are connecting to the reservoir, but this is a lot of speculation at this point. We'll just have to test the well and see what we end up with.

Al Statson - *RBC Capital Markets - Analyst*

Cool. Thanks, guys.

Operator

Your next question comes from Richard Tullis with Capital One South. Please go ahead, sir.

Richard Tullis - *Capital One South - Analyst*

Thank you, good morning.

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Hi, Richard.

Richard Tullis - *Capital One South - Analyst*

Joe, based on what you know thus far at Cameia, what do you estimate the reserves at right now?

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Well, we don't have reserves, strictly speaking, until we have an investment decision that confirms reserves. I just want to make that point clear. What I've always said, in terms of resource, is that we have, I think, unequivocally proven enough resource for a first development project and I've always quoted the minimum size of somewhere between 100 million and 150 million barrels to justify the first phase development. Obviously, I'm hopeful there is quite a bit more than that there. We wouldn't be doing it if we didn't have the optimism there were more barrels there. But that's all we're quoting right now between Cameia 1 and Cameia 2.

Richard Tullis - *Capital One South - Analyst*

Okay. And I know to get to the larger number put out there by D & M as a potential, you have the Cameia 2 flow test planned for late this year, and then really not another well planned until you get closer to development. Now what do you have to see to move you toward the higher number? Is it something further out, a couple years out, before you really get to that number?

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Keep in mind it's a three-dimensional problem. One is one-dimension is depth. You got to see how much deeper these hydrocarbons go on the structure, both in the superpay zone, which we still haven't seen a whole lot of contact on that structure, and we'll find that out later on as we drill development wells.

And secondly, how much oil that's producible and can become reserves is in that middle zone and that lower zone, and we'll answer some of those questions with this flow test coming up in the lower zone. And then that information will instruct us in terms of how much appraisal drilling we do on that deeper zone that's unrelated necessarily to the upper super pay.

Richard Tullis - *Capital One South - Analyst*

Okay. Thank you. That's helpful. And just finally --

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Keep in mind that D&M's numbers related to all of those intervals, not just that superpay. So all we're really talking about when I quoted those numbers were the superpay itself.

Richard Tullis - *Capital One South - Analyst*

Okay. And then just finally, any idea yet on, looking forward, expected development costs, net to Cobalt, for Cameia? What could we look for on a yearly basis, some sort of range?

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

I don't want to get into those numbers now, because the team is pulling all of those together, and I don't want to preempt any of the work they're doing. But when we have them and we're ready to sanction the project, I'll sure communicate those to you.

Richard Tullis - *Capital One South - Analyst*

Okay. Thanks a bunch. Appreciate it.

Operator

And a follow-up question comes from Joe Allman with JP Morgan.

Joe Allman - *JPMorgan - Analyst*

Joe, just on Cameia, obviously you're working on the flow test for Cameia 2, but could you just give us the sequence of events and the timetable that you see right now for development to get us the first production?

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Yes, it's pretty simple, Joe. Again, this flow test, I want to make sure everybody understands, is almost completely unrelated to the phase development project we have in mind for the superpay. So it's all upside if the deeper zone produces.

As far as the superpay goes, there are several different streams of analysis that are going on. One is the actual reservoir engineering, which takes into account the kinds of fluids that we have, pressure maintenance that, obviously, will be involved. And then another stream of work is the engineering around the sub-sea equipment itself that sits on the sea floor and feeds back to a floating FPSO, and we're doing both of those bits of engineering independently right now.

So you have got reservoir engineering, which will feed into the drilling engineering, and we have got sub-sea engineering, and then we have got the floating engineering. So all of those things are underway, and that leads us to believe that we can get the field online sometime first quarter of 2016, based on all the data we have right now.

Joe Allman - *JPMorgan - Analyst*

And how many wells would you expect you would need to get to first production?

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

We'd probably have five wells in that development.

Joe Allman - *JPMorgan - Analyst*

Okay. I'm assuming you would drill most of those, or the rest of them, in 2015, I guess?

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Yes, we would, obviously, make sure we had them all drilled in time to fill the facility. And then we would just have to look at how long it's going to take to drill, and then we back up from there and get a rig out there and drilling.

Joe Allman - *JPMorgan - Analyst*

Okay. All right, good stuff. That's very helpful, Joe. Thank you.

Operator

Your next question comes from the line of Matt Portillo with Tudor, Pickering, Holt.

Matt Portillo - *Tudor, Pickering, Holt - Analyst*

Good morning.

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Good morning, Matt.

Matt Portillo - *Tudor, Pickering, Holt - Analyst*

Just a few quick questions for me. Just wanted to discuss the commercial thresholds a little bit further. Are there any specific fields that you're looking at to run the analysis on 100 million to 150 million barrels for the commercial threshold? And the reason I ask is, I think most of your Brazilian peers in the pre-salt tend to need something between 250 million and 300 million barrels of recoverable resource plus to kind of reach a commercial threshold. So, I'm just trying to distinguish kind of what your views on that, and maybe if this is just a conservative estimate at this point on your part.

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Well, I don't know whether it's conservative or not. I think it's -- the numbers are the numbers. When we run our analysis based on scoping estimates and costs, which have a very wide range, our analysis suggests that these projects are economic in that range of resource. So, obviously, with more resource, they get more economic. And I really can't comment on the South American economics. Of course they're completely different fiscal terms, so I can't make that direct comparison for you.

Matt Portillo - *Tudor, Pickering, Holt - Analyst*

Okay. And then in terms of the FPSO, have you, as you mentioned, phased development, you determined what sort of FPSO you would be looking at on a through-put perspective?

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

There's a handful of FPSOs we're looking at right now. I would say nominally these FPSOs are used for this kind of service are in the range of 100,000 barrels a day, plus or minus a few tens of thousands, but that's the general range of the spec on these FPSOs.

Matt Portillo - *Tudor, Pickering, Holt - Analyst*

Great. And then just a final question. As you've reprocessed your regional seismic, could you talk a little bit about your ability to image salt seal and your confidence around that? And then potentially just discuss, a little bit, on Lontra -- how you guys are thinking about geological risks and what your biggest concerns are for the Lontra prospect.

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

We don't have any real concerns at all about our ability to seismic -- to image the salt interface. Was that your first question? I was having trouble understanding. I think that was what you were asking. So we don't have any real issues about our ability to see the salt. Now, we obviously can't guarantee from seismic that it seals, but based on everything we have seen out there, we don't have that as a high risk at this point.

In terms of Lontra, the biggest risk we see on Lontra is the field is so big that we want to make sure that our first wells on the structure are in the locations which have best reservoir rock. So strictly speaking, we're not looking to drill -- we're not developing one location on Lontra. There's several locations on Lontra that look feasible for the first wells.

Matt Portillo - *Tudor, Pickering, Holt - Analyst*

Thank you.

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

You're welcome.

Operator

Your next question comes from Ed Westlake with Credit Suisse. Please go ahead, sir.

Ed Westlake - *Credit Suisse - Analyst*

Yes. Good morning, guys. Apologies, it took a while to get on. There were some issues with the conference coordinators, so I'll ask some very simple questions. But just following on from that salt seal question, there were some concerns expressed recently that the salt thickness in the basement highs may not be thick enough to provide a seal. From your statements on the previous question, that feels as if that's not something you're concerned about, but maybe talk about how the salt thickness varies as you go from the flanks up until the basement seals, which is where some of the best rocks are.

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Okay. Sorry about the communications issues today. We know that the storm has caused a lot of problems, and we apologize for that.

Ed Westlake - *Credit Suisse - Analyst*

Oh, no. For sure, for sure.

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

What I can say is that we've always -- before we drilled wells out there we had in the back of our mind how thick of salt section did we need to form the seal. And what we can say is we had, as you've heard me say several times, when you look at the dozen or so wells that have penetrated the pre-salt out there, we've -- and these are historic wells, not recent wells, virtually every one of them has found hydrocarbon when they've penetrated the salt.

Some of the salt's thicknesses have been remarkably thin. So at this point, we just have not seen any seal failures due to base of salt. That doesn't mean that will always be the case. We do see salt thinning on the top of the structures, but at this point we're pleasantly surprised that the salt and the shales that are right above the salt seem to be very, very effective in terms of sealing the hydrocarbons generated in the pre-salt.

Ed Westlake - *Credit Suisse - Analyst*

Right. Do you think the shale is contributing, as well, to the sealing? Or --

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Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

We hope so, but it doesn't make any difference to us whether it's the shale or the salt. It seems like it's working.

Ed Westlake - *Credit Suisse - Analyst*

Right. And then two very short questions, which you may have covered, apologies for that. When are you going to spud, or when is TOTAL going to spud Gabon? Do you know? Any updated timing?

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

I don't have the updated timing. What they're telling us is sometime in the first quarter. And I can't tell you if it's January 1 or March 15. So, we'll keep you posted on that, and I'm sure they will, as well.

Ed Westlake - *Credit Suisse - Analyst*

And in terms of the -- how long it will take to drill that well?

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

I haven't seen that. I don't have it on the top of my head. We'll get back to you on that, okay?

Ed Westlake - *Credit Suisse - Analyst*

Okay. Great. And then timing on reaching TD on North Platte?

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Well, between now and the end of the year, I hope to be talking to you about those results.

Ed Westlake - *Credit Suisse - Analyst*

Okay. Great. Well, good luck for next year. Thanks very much.

Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Thanks, Ed.

Operator

Thank you. And Mr. Branch, there are no further questions in the queue at this time. I would like to hand it over now back to you.

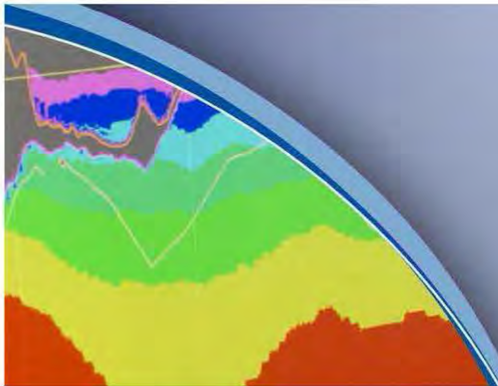
Joe Bryant - *Cobalt International Energy, Inc. - Chairman and CEO*

Okay. Well, listen, I certainly appreciate everybody's efforts to be on the call today. And as I said earlier, our efforts this quarter have been to set the stage for a steady stream of catalysts over the coming year, and as we all know, I think any one of these has the potential to deliver enormous value to our shareholders.

Finally, again, I want to express my concern for all of you on the East Coast. Having lived through that unpleasant circumstance, we can relate and know how unpleasant it can be without the creature comforts that we're all used to.

So good luck to you all, and if you have any follow-up questions, please don't hesitate to get in touch with us here at Cobalt. Thanks again.

EXHIBIT 24



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Multiple Catalysts To Grow Shareholder Value

November 2012

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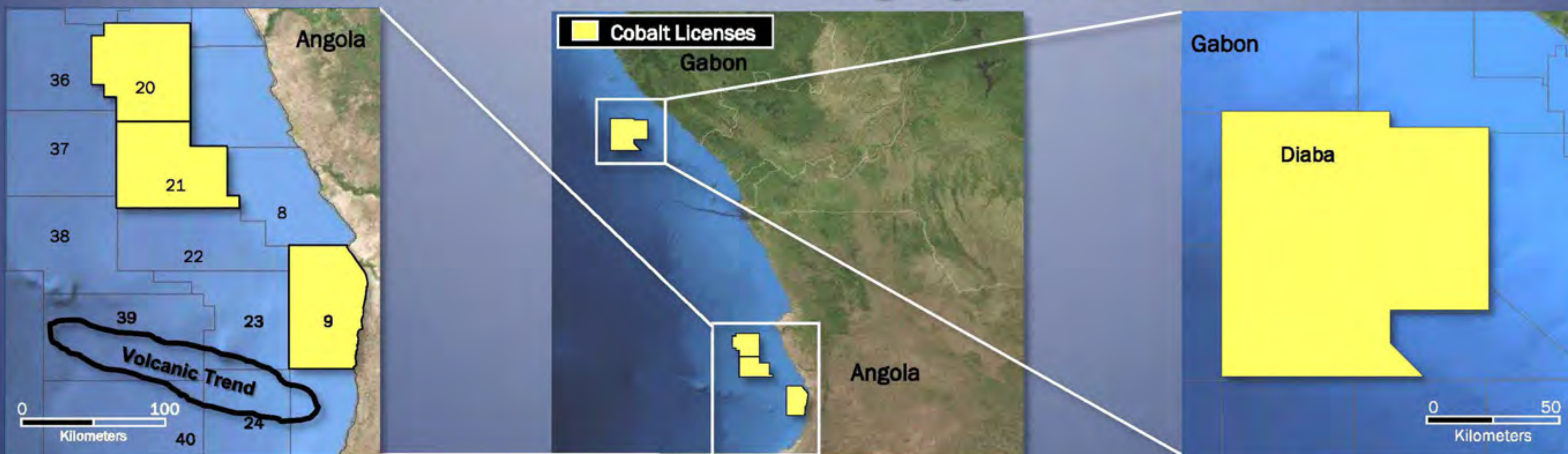
Cobalt – Our Story

- Enviable oil focused portfolio
  - » Extraordinary value potential via multiple catalysts
  - » Operating control; Material working interests
  - » Diverse and deep prospect inventory with unique follow-on potential
- Leadership and functional expertise
  - » Global industry leadership
  - » Expertise across the value chain
  - » Success-driven talent pool growth
- Focused relationships
  - » Partners/Regulators/NOC's
- Superior balance sheet
  - » Exploration program currently funded
  - » No debt
  - » Financial discipline

West Africa Deepwater Pre-salt

Cobalt's Premier Position in Emerging World-Class Oil Basins



Angola, North Kwanza Basin

- Proven Pre-salt oil on all Cobalt blocks
- Prolific source rocks
- Proven carbonate reservoirs
- Numerous large structures confirmed via new 3-D seismic
- 2 rig program will drill 4-6 Pre-salt wells in 2013

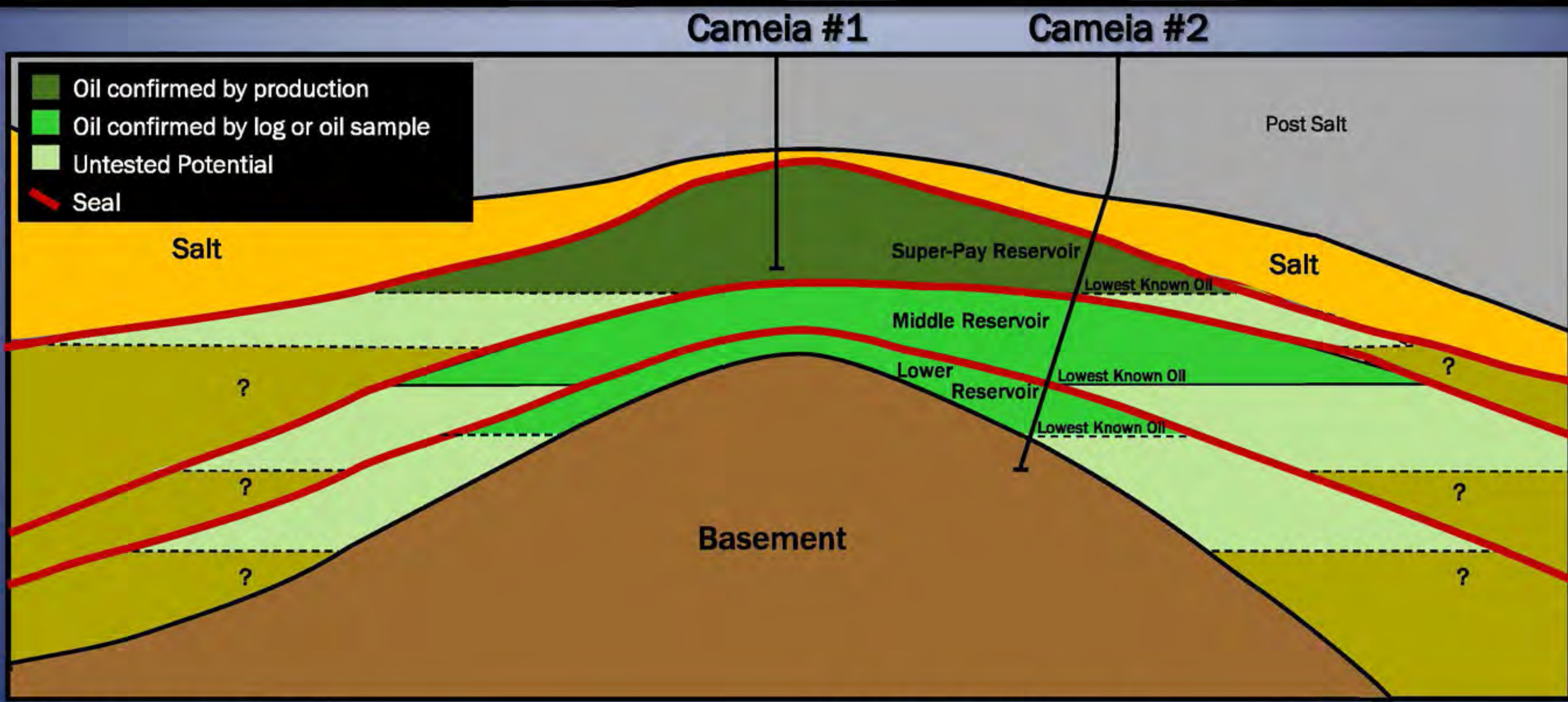
Gabon, Diaba Block

- First Pre-salt well planned in early 2013
- Proven Pre-salt play onshore and near shore
- Numerous large structures confirmed via new 3-D seismic
- Similar source rocks as Angola
- Sandstone reservoirs expected

Cobalt has Proven:
The North Kwanza Pre-salt Basin has World-Class Potential

- Salt layer is a competent seal
  - Has been proven effective in virtually all Pre-salt penetrations
- Robust hydrocarbon generation potential
  - Indications of oil in the majority of Pre-salt penetrations in the North Kwanza Basin
- Exceptional reservoir systems – repeatability likely based on Brazil analogues
  - Very high quality oil or condensate
  - Very high flow rates
- Pre-salt structures well imaged by state-of-the-art 3-D seismic
- No known technical barriers to commercial development
  - Continuing focus on well design optimization and cost efficiency
  - Drill bit technology improving to reduce number of drilling days

The Cameia Story



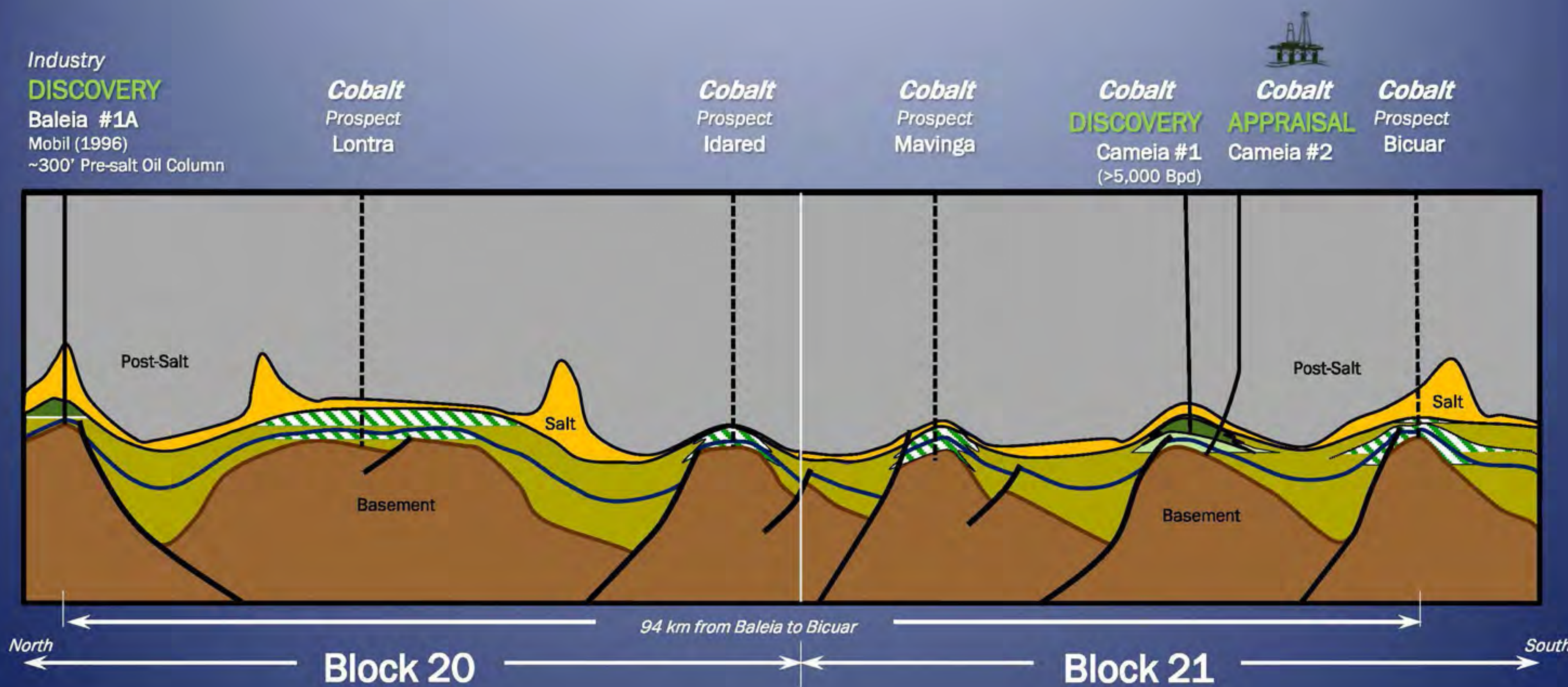
What we now know

- A 'monster' hydrocarbon column
- Truly exceptional 'Super-Pay' reservoir confirmed
- Lateral continuity of a 'Super-Pay' reservoir confirmed
- Very high quality oil or condensate
- Multiple zones
- Both regional and inter-formational seals exist

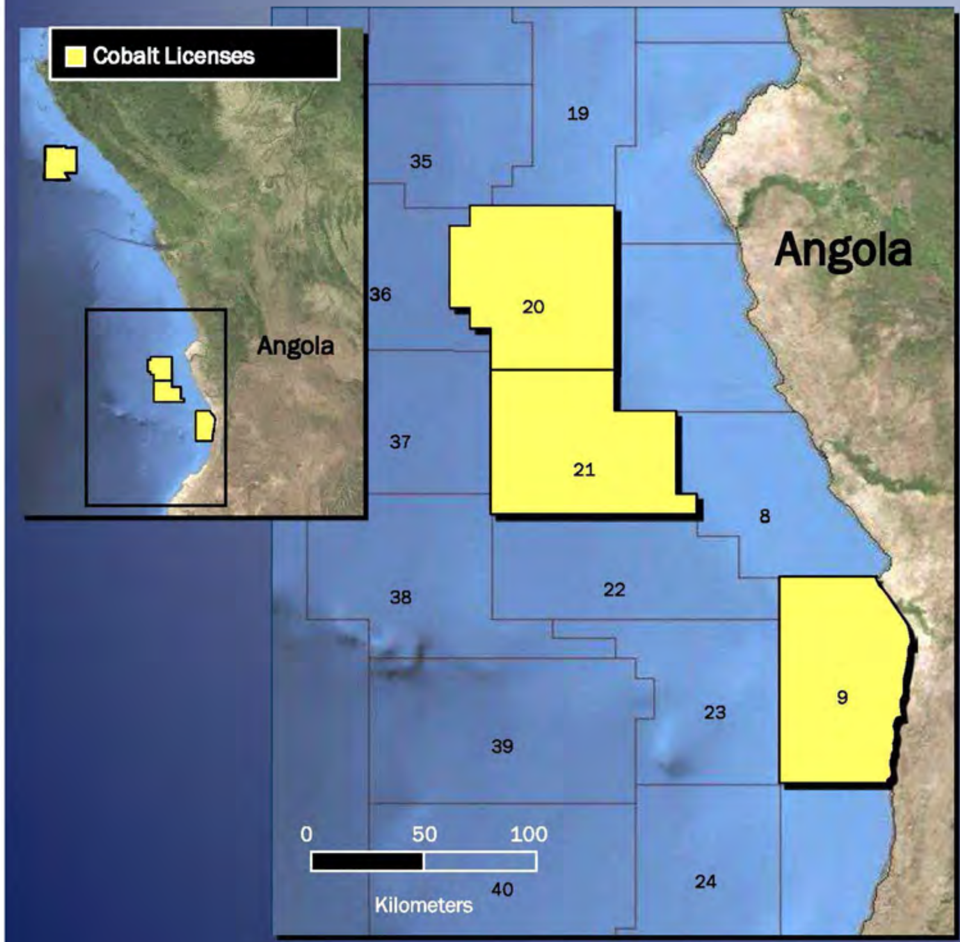
What we will learn

- Additional areal extension and distribution of the 'Super-Pay' reservoir
- Variation of reservoir fluids between separate reservoirs
- Reservoir system characteristics in middle and lower reservoirs
- The number of different reservoir and seal systems
- Lowest known oil in the system (oil-water contacts)

North Kwanza Basin: Large Pre-salt Structures on Trend with Cameia #1 Discovery



North Kwanza Pre-salt Basin Plan

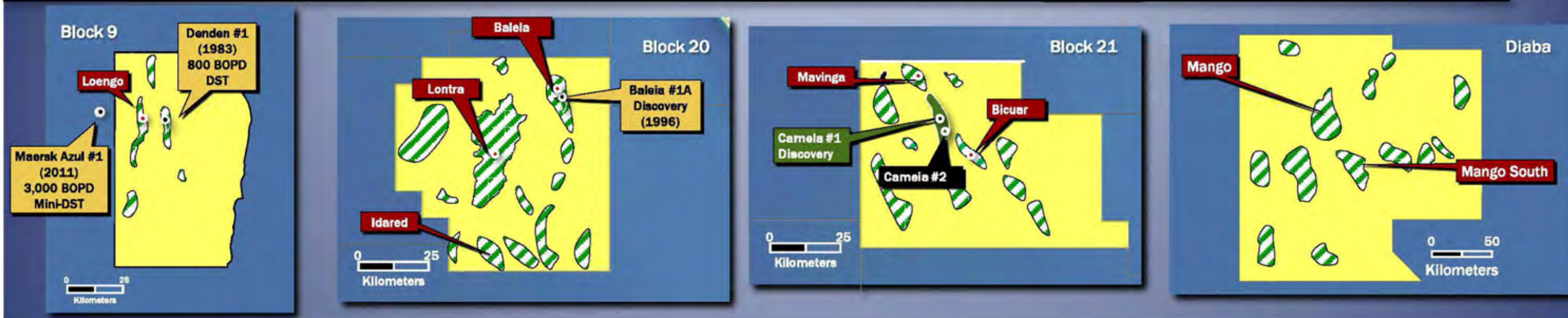


- Cobalt is the 'frontrunner' in this emerging basin
  - Plan to fully exploit this advantage by 2014
- 2012 – 2014
  - Complete Cameia #2 production test
  - Drill 4-6 exploration wells
  - Drill 3 appraisal wells
  - Initial sanctioning of 'early production' projects
- 2015 +
  - Prioritize and drill remaining portfolio
  - Generate initial production and cash flow
  - Build an "Angolan" company

Gabon – Diaba: Huge Pre-salt Potential – Large Structures

- Pre-salt play proven onshore and near shore
- Cobalt has 21.25% working interest
- New 6000 sq. km 3-D seismic confirmed large traps similar to discoveries
- Similar source rocks as Angola
- Sandstone reservoirs expected in Gabon compared to carbonate reservoirs in Angola
- Multiple Pre-salt prospects currently identified on large 8,900 sq. km block (~2x size of Angola blocks)
- Drilling rig contracted; anticipate drilling the first Pre-salt prospect in early 2013

West Africa Pre-salt: Cobalt is Active Across the Value Chain

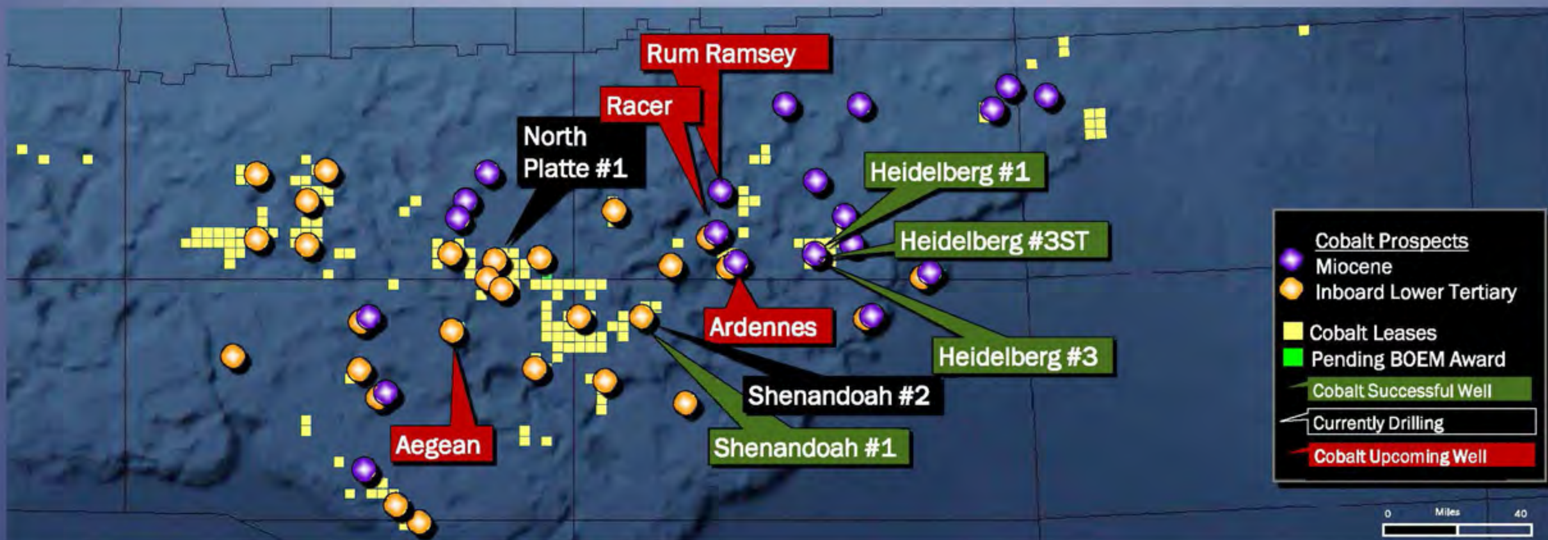


Exploration to Production 'Conveyor Belt' in Full Motion

Maturing Prospects	Exploration Wells	Appraisal	Pre-Production
Angola			
Block 21 #4, #5, #6	Block 21 – Mavinga #1	Block 21 – Cameia #2	Block 21 - Cameia
	Block 21 – Bicuar #1		
Block 20 #4, #5	Block 20 – Lontra #1		
	Block 20 – Idared #1		
	Block 20 – Baleia #1		
Block 9 #2	Block 9 – Loengo #1		
Diaba #3, #4	Diaba – Mango #1		
	Diaba – Mango South #1		

Cobalt's Premier Gulf of Mexico Position

Emerging World-Class Inboard Lower Tertiary Trend Coupled with Assets in Proven Miocene



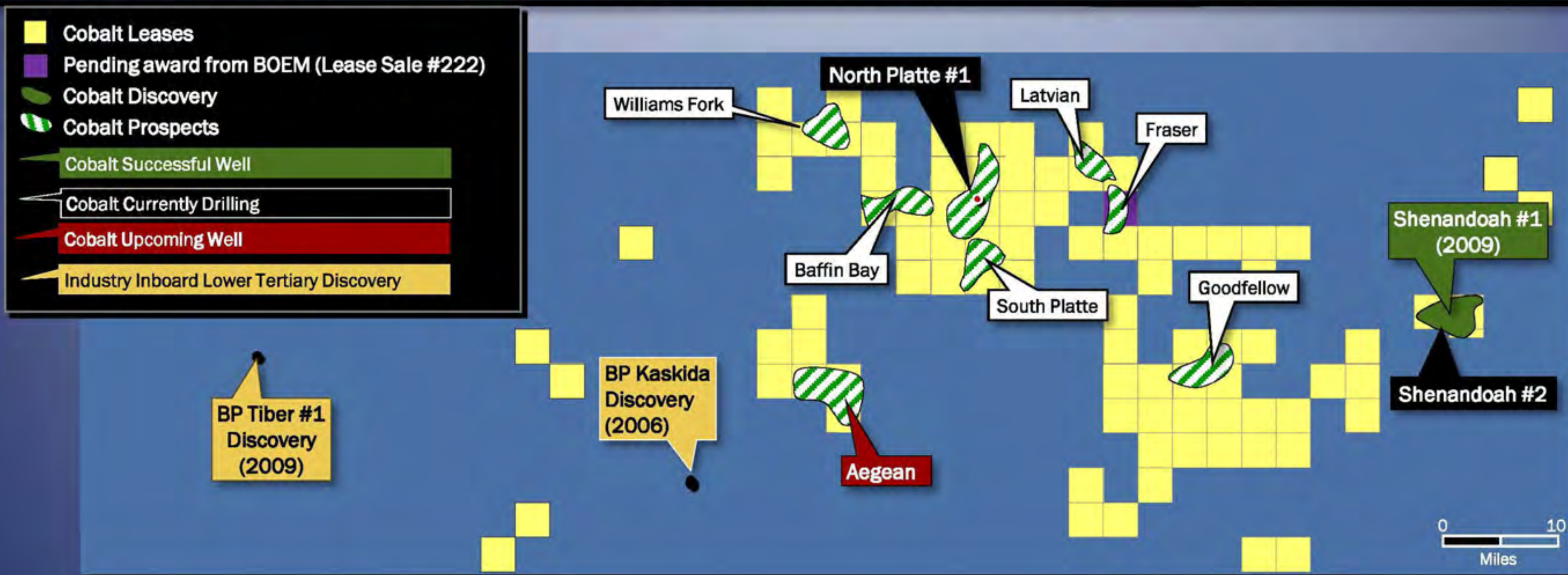
Emerging Inboard Lower Tertiary Trend

- ► Proven oil play
  - » 3 industry discoveries in Inboard Trend
- ► Main industry focus at recent lease sales
  - » 13 high bid blocks >$10MM
  - » 38 total bids
  - » Total exposure: $840 MM
- ► Average 58% working Interest, operating control
- ► 4 Cobalt exploration wells in next 18 months

Miocene

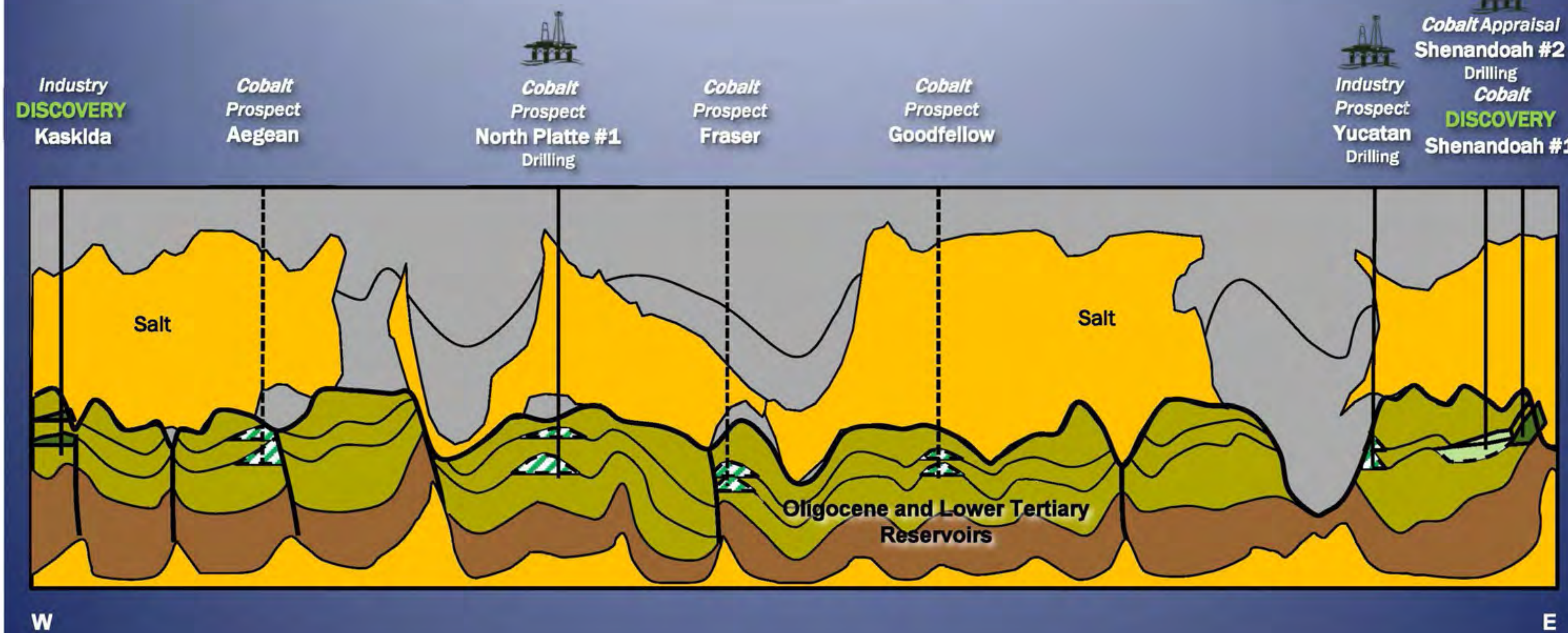
- ► Heidelberg on road to first production
- ► Proven petroleum systems
- ► Average 52% working interest, operating control
- ► 2 Cobalt exploration catalyst wells in next 18 months

Cobalt has a Dominant Position in the Emerging Inboard Lower Tertiary Trend



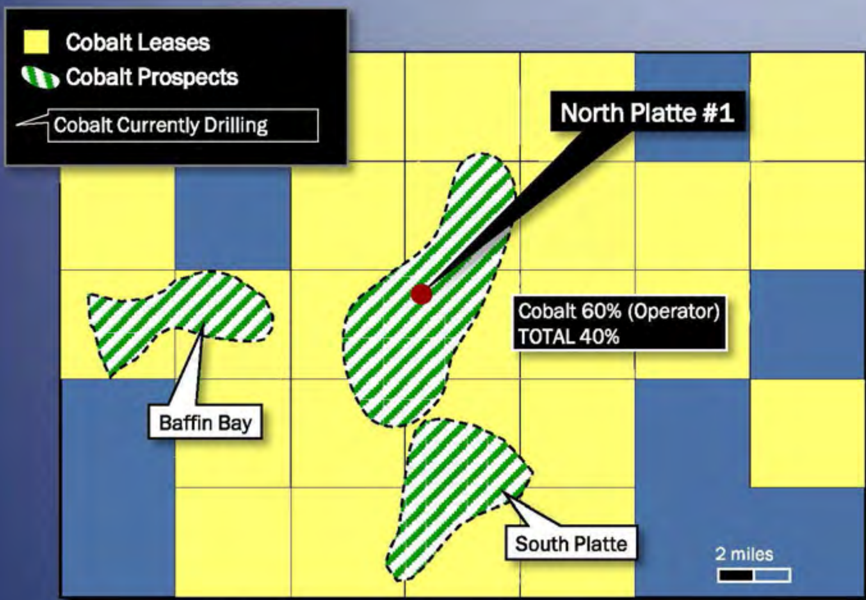
- ►Well-positioned in an emerging play
- ►Extensive prospect running room and optionality
- ►Significant multiple prospect inventory assembled before Shenandoah & Tiber discoveries
- ►Leveraged cost exposure through TOTAL alliance
- ►Proximity to infrastructure can accelerate time to first production

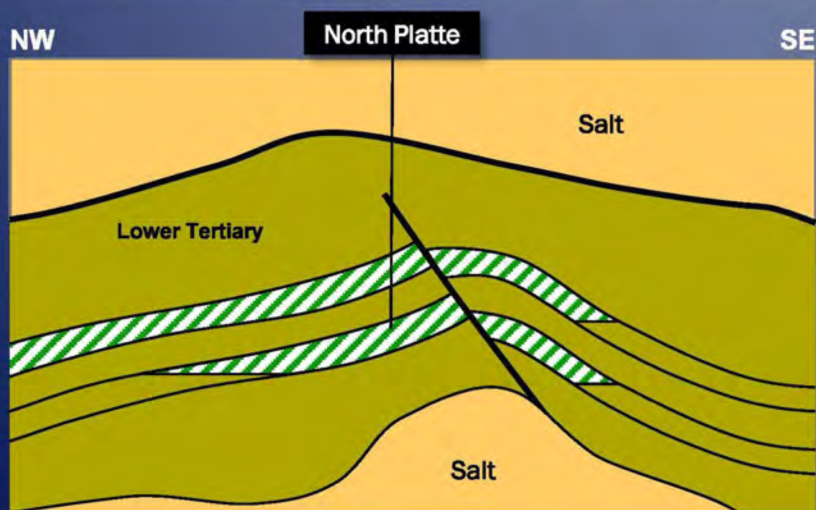
Inboard Lower Tertiary:
Large Sub-salt Structures on Trend with Shenandoah and Industry Discoveries



Cobalt owns an interest in major Inboard Lower Tertiary prospects between Kaskida and Shenandoah

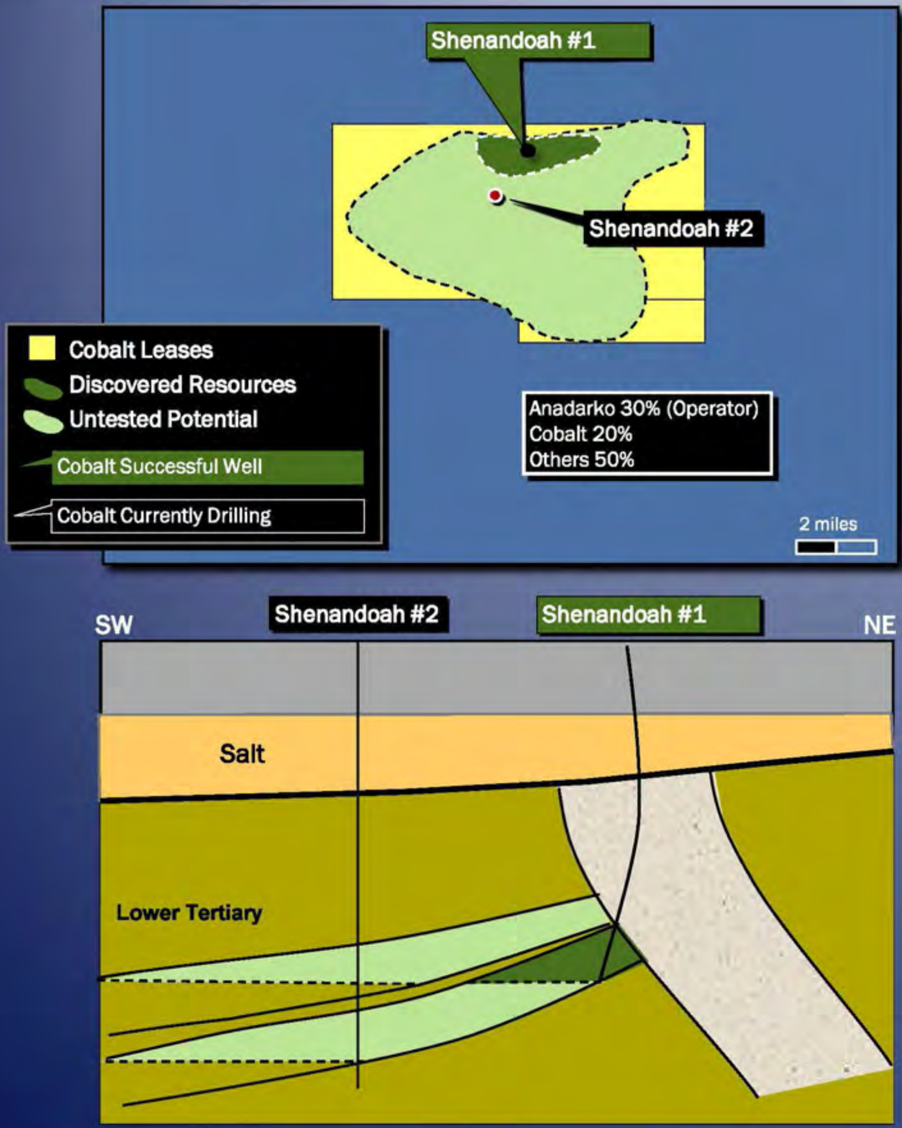
North Platte: Most Significant Exploration Well Being Drilled in GOM (2012)





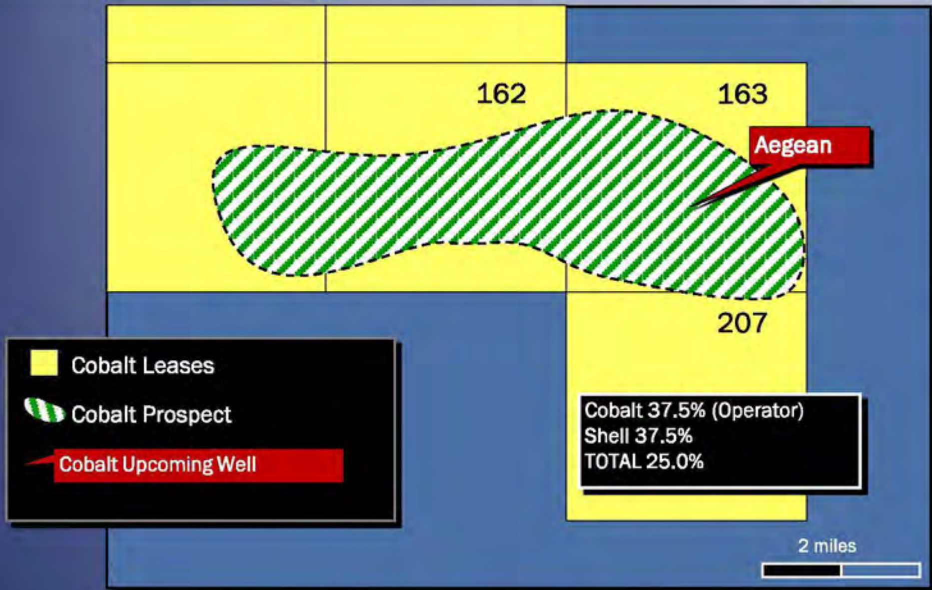
- North Platte prospect spud 3Q 2012; well results expected in 4Q 2012
- 4-way structure in heart of Inboard Lower Tertiary fairway
  - On trend with Shenandoah, Kaskida and Tiber discoveries
  - Gross unrisked resources: 400 – 850 MMBOE (mean-high range)
  - 60% Cobalt-operated working interest; 20% cost interest in first well (to $150mm)
- Extensive running room in the Greater North Platte Complex
  - 5 additional Cobalt prospects nearby North Platte with over 2 BBOE gross combined resource potential

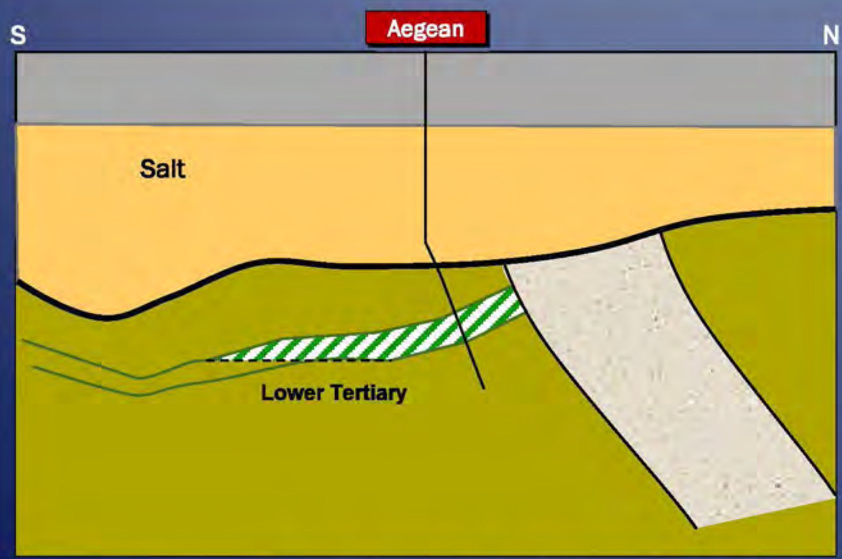
Shenandoah:
Appraisal of Initial Inboard Lower Tertiary Discovery



- ► Shenandoah Discovery (2009)
  - » Encountered more than 300 ft. of net oil pay in Inboard Lower Tertiary reservoir
- ► Recent 3-D WAZ seismic and reprocessing enhanced image of discovered reservoir and understanding of overall resource potential
- ► Shenandoah #2 appraisal well spud 3Q 2012; well results expected in late 4Q 2012
  - » Will appraise down dip extent of discovered reservoir and evaluate additional potential in Lower Tertiary reservoirs
- ► Operator estimates first oil 2017

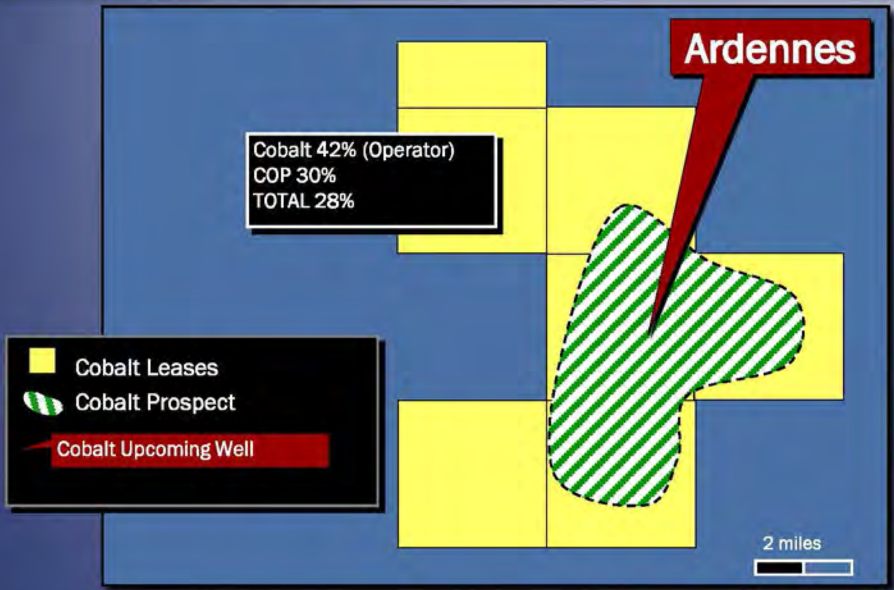
Aegean Prospect:
Highly Sought After Prospect in 2008 Lease Sale

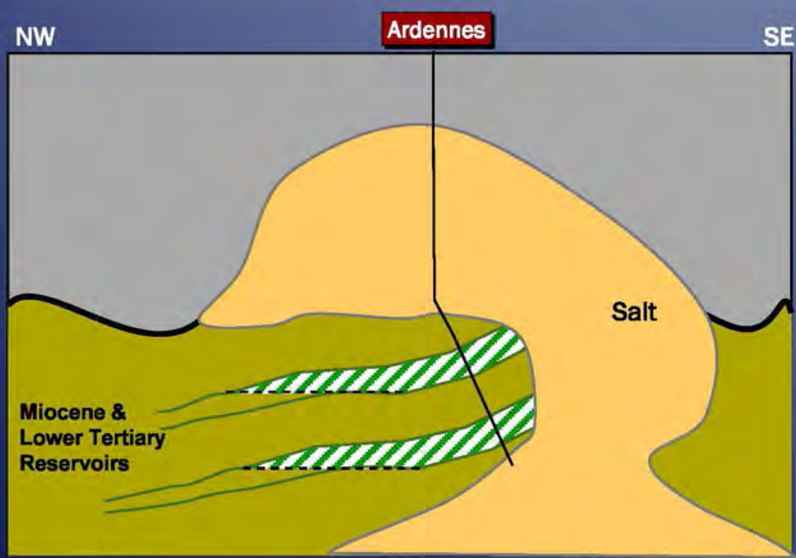




- ►Inboard Lower Tertiary target across multiple blocks; 3-way structural closure
- ►PTD: 35,000 ft.
- ►Spud date: late 4Q 2012/early 2013 (following North Platte)
- ►EP approved; APD filed
- ►Drill Rig – Ensco 8503
- ►KC 162, 163, 207 lease blocks
  - » Approximate bid exposure: $ 330 MM
    - Cobalt $105 MM
    - Chevron $101 MM
    - Shell $99 MM
    - Others $25 MM

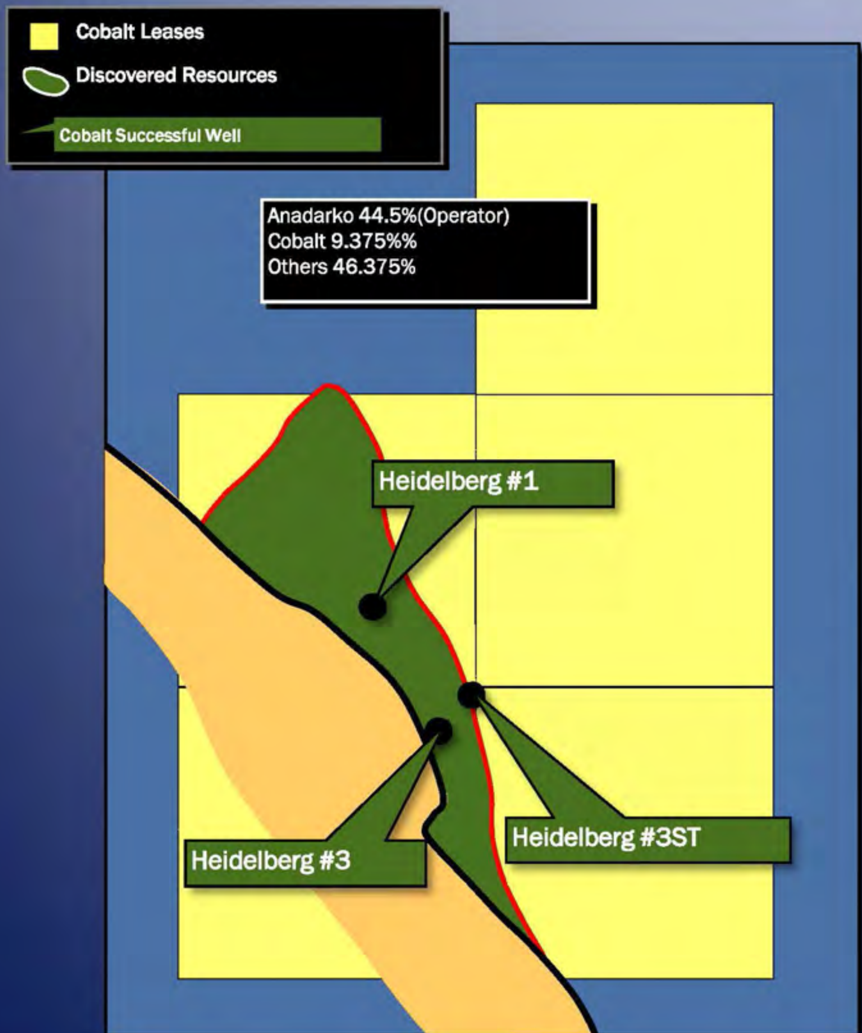
Ardennes Prospect: Dual Targets





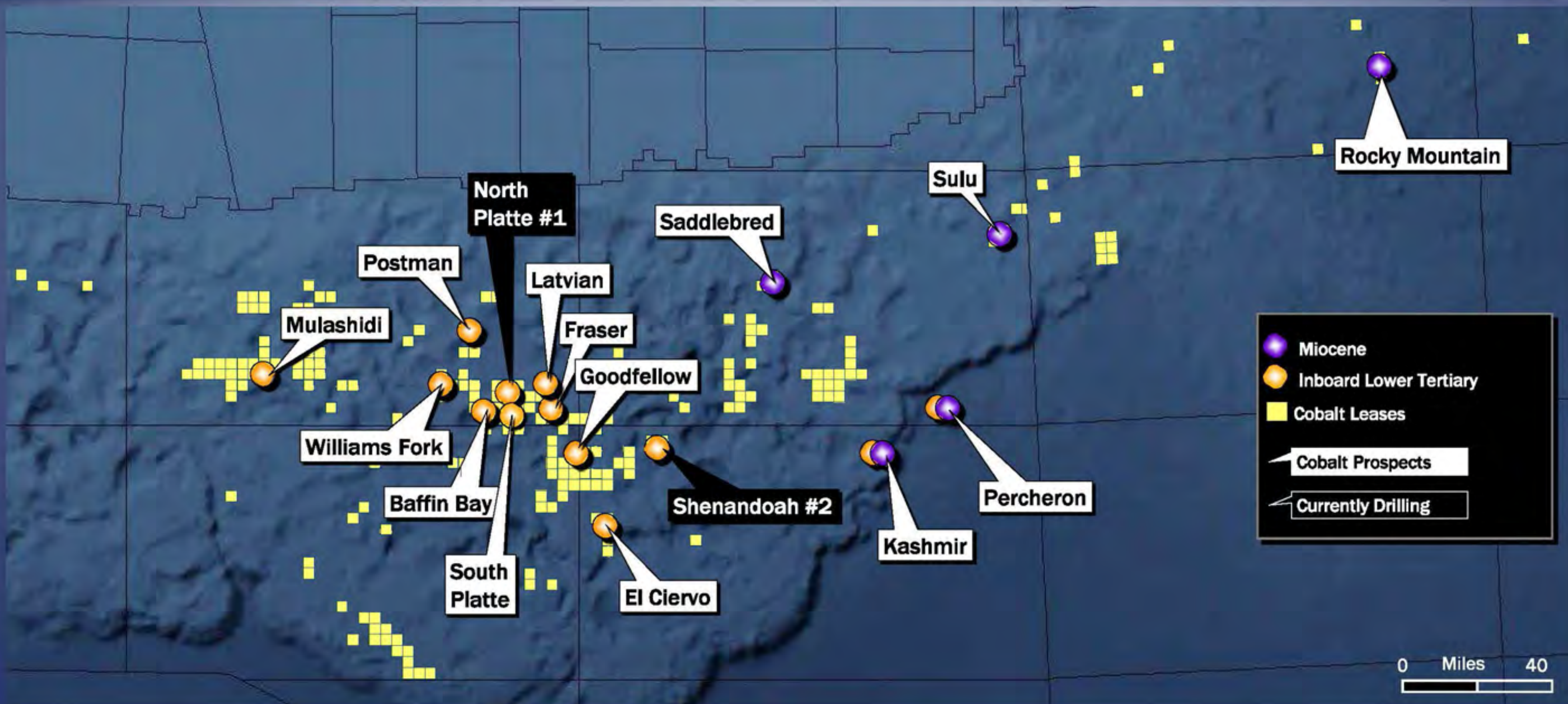
- ►Miocene and Inboard Lower Tertiary targets
- ►PTD: 36,000 ft.
- ►Spud date: 3Q 2013
- ►EP approved; APD filed
- ►Drill rig – Ensco 8503

Heidelberg: Fast Tracking to First Production



- ▶ Heidelberg #1 discovery (2009) encountered more than 200 ft. of net oil pay in Miocene reservoir
- ▶ Successful Heidelberg appraisal well confirmed commerciality (2012)
  - » Well encountered ~250 ft. of net oil pay on the southern flank of the field
  - » Geologic sidetrack added ~700 ft. of oil column and confirmed the down-dip extent of reservoir
- ▶ Operator fast tracking project sanction for 2013; estimates first oil in early 2016

Gulf of Mexico: Currently Maturing 2014-2016 Drilling Program



► Inboard Lower Tertiary and Miocene prospects being matured

» 13 prospects

» 11 Cobalt operated prospects

» 10 Inboard Lower Tertiary prospects

Gulf of Mexico: Cobalt is Active Across the Value Chain

- Huge optionality in portfolio over next 24 months
- Leveraged cost exposure as a result of TOTAL alliance
- Dominant position in emerging Inboard Lower Tertiary play
- Significant progress and value creation in spite of GOM drilling moratorium

Exploration to Production 'Conveyor Belt' in Full Motion

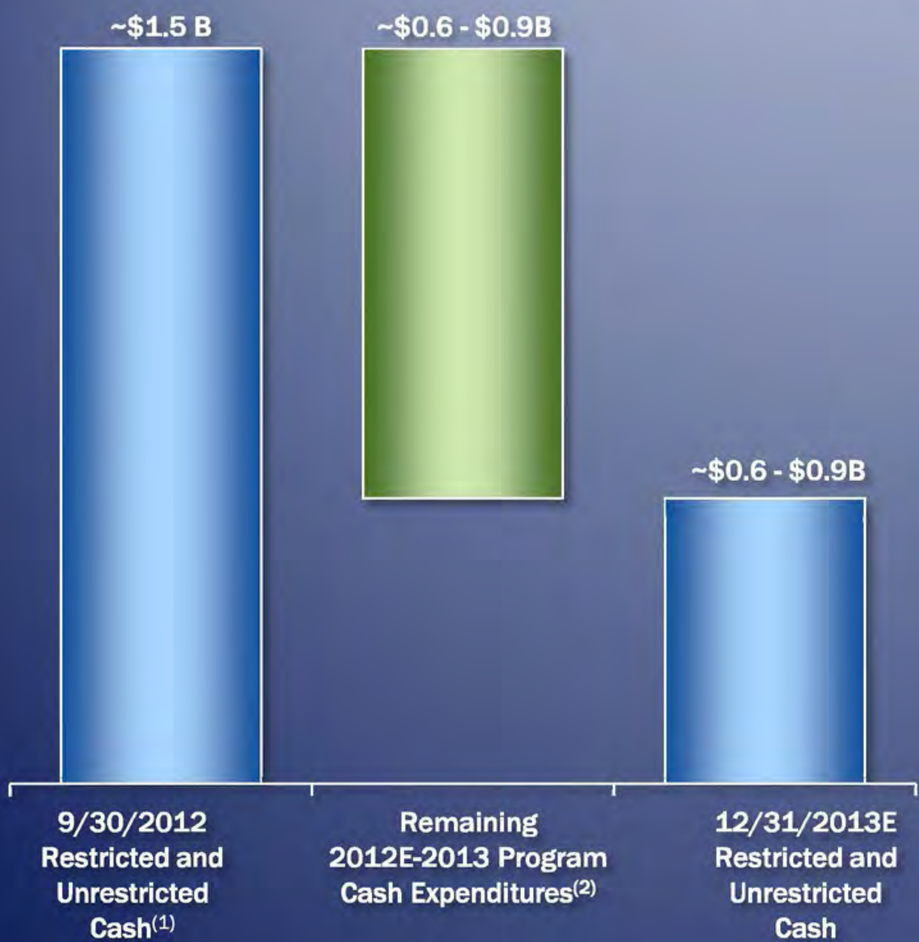
Maturing Prospects	Exploration Wells	Appraisal	Pre-Production
South Platte	North Platte #1	Shenandoah #2	Heidelberg
Baffin Bay	Aegean #1		
Latvian	Ardennes #1		
Williams Fork	Rum Ramsey #1		
Goodfellow	Racer #1		
El Ciervo			
Fraser			
Kashmir			
Mulashidi			
Percheron			
Rocky Mountain			
Saddelbred			
Sulu			

People, Rigs, and Financing in Place to Implement Our Catalyst-Rich Drilling Program

Region	Operator (Rig)	Prospect (✓ Drilled or Drilling)
Gulf of Mexico	Cobalt (Ensco 8503)	✓ North Platte • Aegean • Ardennes
	Partner Operated	✓ Heidelberg Appraisal ✓ Shenandoah Appraisal • Rum Ramsey • Racer
Angola	Cobalt (Ocean Confidence & Catarina)	✓ Cameia #1 ✓ Cameia Appraisal • Mavinga • Bicuar • Lontra • Idared • Baleia • Loengo
Gabon	Partner Operated	• Mango • Mango South

Balance Sheet Strength

2012 – 2013 Fully Funded Exploration/Appraisal



- No debt
- 2012 cash expenditures estimate $550-$650 MM
- Financing principles
  - Minimize shareholder dilution
  - Maximize flexibility
  - High grade portfolio
- Development Program to be funded through lowest cost of capital options
  - Convertibles
  - High yield
  - Joint venture / farm-out
  - Project finance

[1] As of 9/30/12. Unrestricted cash includes cash, cash equivalents, short-term investments and long-term investments. Restricted cash includes Ensco Escrow and Cash Collateralized Angola LOCs
[2] W.A. ~$350-$550MM; GOM ~$275-$375MM; GOM expenditures are net of TOTAL Carry

Multiple Catalysts to Grow Shareholder Value

- Enviable oil focused portfolio
  - Extraordinary value potential via multiple catalysts
  - Operating control; Material working interests
  - Diverse and deep prospect inventory with unique follow-on potential
- Leadership and functional expertise
  - Global industry leadership
  - Expertise across the value chain
  - Success-driven talent pool growth
- Focused relationships
  - Partners/Regulators/NOC's
- Superior balance sheet
  - Exploration program currently funded
  - No debt
  - Financial discipline

Cobalt
International Energy

NYSE: CIE | www.cobaltintl.com

Investor Relations Contact:

R. A. (Rich) Smith
VP, Investor Relations & Planning
Office: +1 713-579-9141

Cobalt International Energy, Inc.
Cobalt Center
920 Memorial City Way, Suite 100
Houston, TX 77024
Main: 713-579-9100